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The CREDIT WORLD

L. S. CROWDER
EDITOR



ARTHUR H. HERT
ASSOCIATE EDITOR

VOL. 32



NO. 4

• 1 9 4 4 •

Canadian Number

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OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION
Editorial and Executive Offices Shell Bldg., St. Louis 3, Missouri
Advertising Representatives, T. W. Farrell, 64 East Lake St., Chicago 1, Ill.,
W. J. Delaney, 9 Rockefeller Plaza, New York 20, N. Y.
Washington Representative, R. Preston Shealey, Colorado Bldg., Washington 5, D. C.
Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879.
Published Monthly. Subscription \$2.00 a year, to members of the National Retail Credit Association
only. Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily
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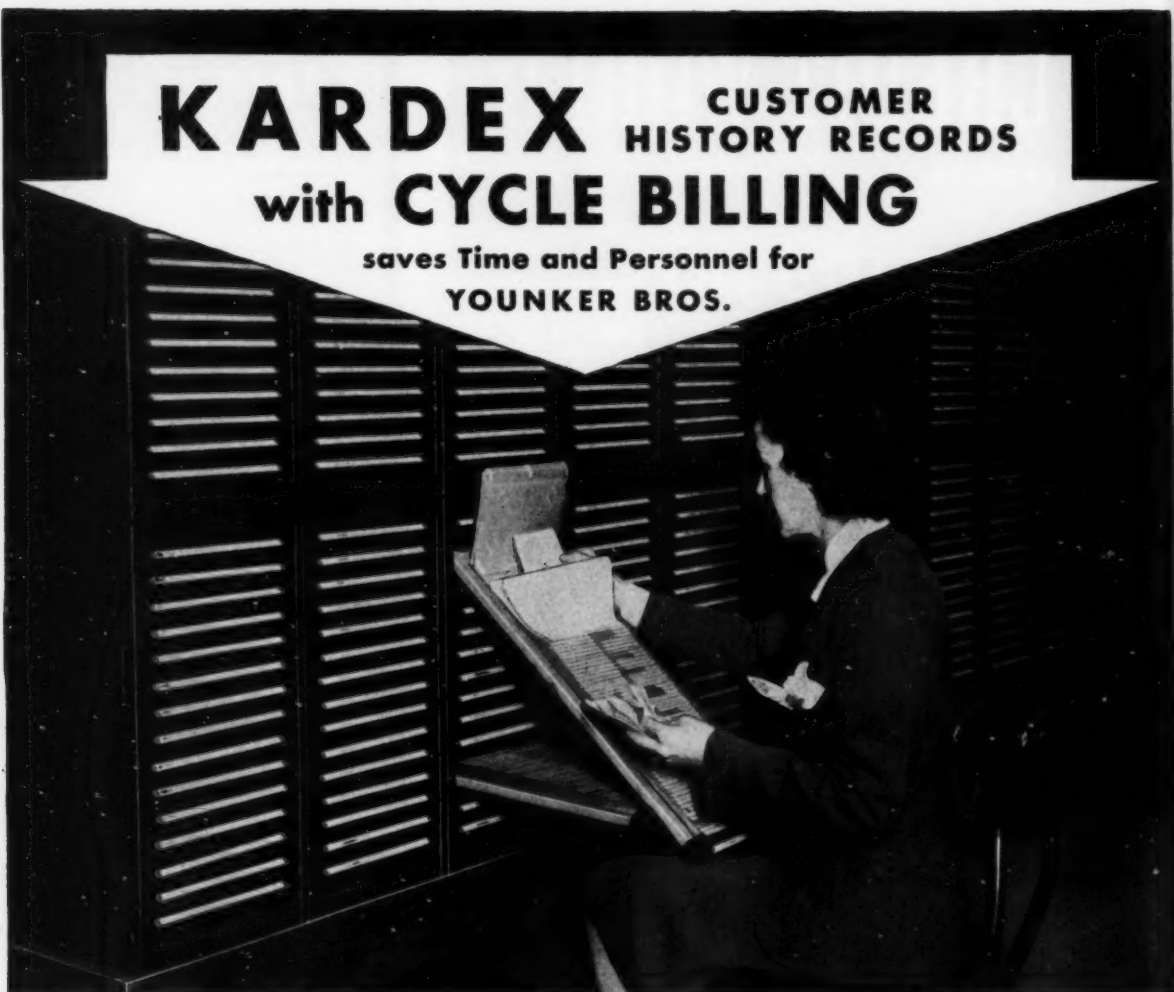
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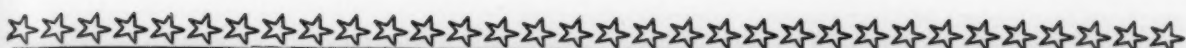
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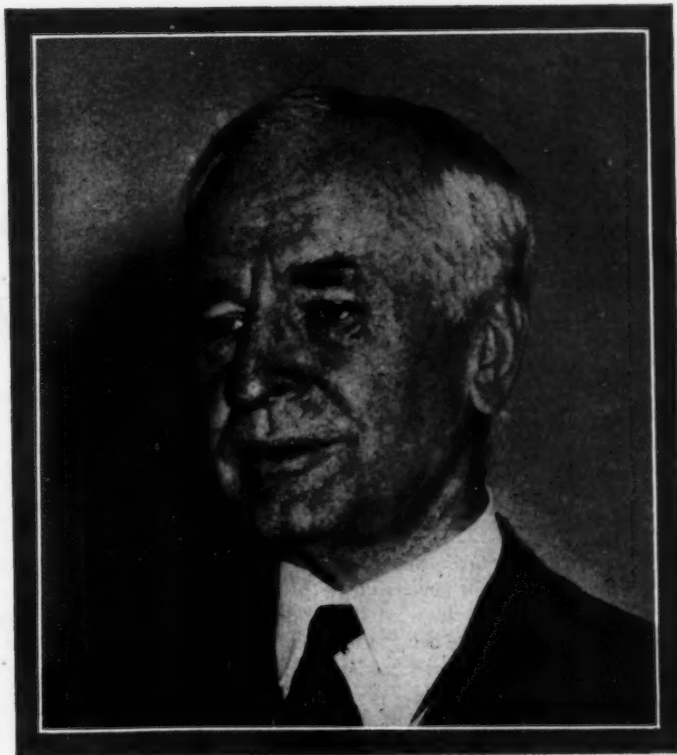


A Historic Conference

TO HELP SPEED VICTORY for the Allies, the heads of Canada, the United States and Great Britain—with their combined chiefs of staff—met in Quebec, Canada, on August 18, 1943. This historic conference took place within the ancient walls of the Citadel, summer residence of Canada's Governor General. The above picture was taken on the terrace overlooking the St. Lawrence River. It is used here by special permission of the National Film Board. President Roosevelt is on the left seated beside the Earl of Athlone, Governor General of Canada, while behind them are Prime Minister Mackenzie King and Prime Minister Winston Churchill.



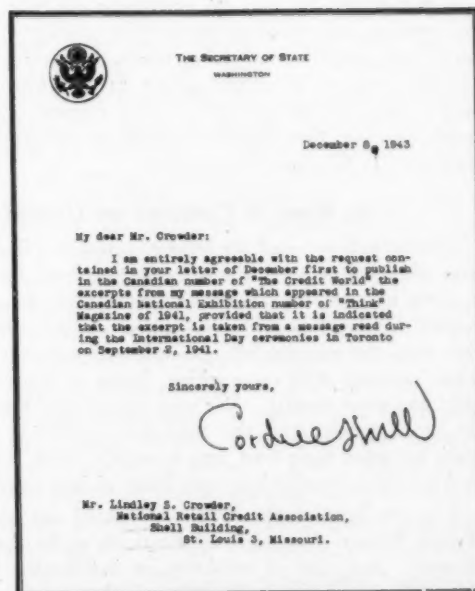
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THE peoples of Canada, the United States, and the other nations of this Hemisphere, have come to a closer realization of the interdependence of their vital interests and of the necessity for establishing a closer solidarity based upon mutual trust, neighborly goodwill, and a mutual concern for the common defense and the common welfare of all. It is upon these principles, and these alone, that the world can be reconstructed upon a solid foundation for lasting peace. . . . The future security of both of our countries, as of all free nations, requires that the utmost effort be exerted toward the establishment of a world order founded upon those same principles.

—HONORABLE CORDELL HULL
Secretary of State, Washington, D. C.

(From message read during the International Day ceremonies held September 2, 1941, at the Canadian National Exhibition in Toronto.)





The BATTLE Against Inflation

Right Hon. W. L. Mackenzie King, M. P.
Prime Minister of Canada

THE WORLD'S ATTENTION has recently been centred upon the conferences of the leaders of the four great powers in the Middle East. The conferences remind us anew of the world-wide scale on which the present war is being waged. They reveal more clearly the immensity of the task still to be accomplished before the enemy is defeated. We needed this wider perspective to restore our sense of proportion.

Our eyes have been focused upon areas in which the Allies have had spectacular successes. These successes have caused many people to feel that the war might be drawing to a close. This state of mind has become far too general; so general, in fact, that it threatens to reduce the momentum of the entire war effort.

Many have come to believe that we should now be mostly concerned with postwar problems, forgetting that the winning of the war is still the major problem. Before the energies of men and of nations can be diverted from wholesale destruction to the work of reconstruction, the enemy must be defeated, and the war must be won.

I would be the first to emphasize the necessity of anticipating and preparing to meet the problems likely to arise once hostilities cease. Canada, like other of the United Nations, has been giving earnest attention to such of these problems as we can now foresee. However much we plan, these problems cannot be met and solved until victory is won.

The Need to Continue an Utmost Effort

It may well be—and we fervently pray it will be so—that 1944 will witness the surrender of Nazi Germany. It may be that once Germany surrenders, Japan will realize that her fate is likewise sealed. It is hardly probable that the meaning of unconditional surrender, now made so clear, will cause either Japan or Germany to yield any more readily. We may be sure the Nazi leaders in Germany, and the militarist leaders in Japan, realizing what their own fate is certain to be, will seek to force their peoples into ever more violent conflict.

The one hope of the enemy is to hold out until the United Nations show signs of weariness under the strain of war. Any sign of weakness or indifference in any of the free countries will encourage the enemy to hold

on longer. This war has become a war of endurance, and it is the last round that will spell victory or defeat.

And this brings me to what I am most anxious to say about another battle, the battle against inflation. On the home front, this is now the most critical battle of all. The winning of this battle will contribute much toward victory. After the war, success in the battle against inflation will contribute more than all else towards the solution of postwar problems.

There are two kinds of national effort essential to the waging of modern war. One is concerned with armies, navies and air forces in active combat with the enemy. The other, with the organization of the whole nation to back up the armed forces with the utmost strength the people can muster. One side is symbolized by the warrior; the other, by the worker. The key to victory is a partnership unbroken and unbreakable of the warrior and the worker. The warrior cannot fight without the weapons forged by the worker. The freedom of the worker depends upon the success in battle of the warrior.

The workers are not only wage earners: they are all who, directly or indirectly, are labouring to keep Canada strong in war. They include housewives; workers in mine and forest, in factory, shop and office; farmers and fishermen; business and professional men and women.

On the home front there have been two battles to fight: the battle of production and the battle against inflation. In the battle of production, Canada has done magnificently. We have doubled our production since the war began, and half of all we produce is now being used to wage war.

But, strange as it may sound, our success in the battle of production has increased our difficulties in the battle against inflation.

By doubling our production, we have doubled the income of the Canadian people. But because we are using half our production for war, we have been unable to increase the quantity of goods for the people to buy with their larger incomes.

If we were now spending twice as much money as we had to spend in 1939, prices would be up, and the value of every dollar would be down. What cost fifty cents in 1939 would cost a dollar today. We would be experiencing what the economists call "inflation."

The Evil Consequences of Inflation

Inflation is not something new in the world. Many countries have experienced inflation, and the experience has always been bad. The evils of inflation have been experienced most frequently and at their worst at times of war. The process is something like this: First, prices go up. Then wages and salaries may go up. But wages and salaries never go up quite as fast. The extra money paid in wages and salaries tends to send prices up again. A few sharp, unscrupulous people may make a good thing of inflation by speculation and profiteering. But, sooner or later, the great mass of the people suffer.

During the last war, and the years immediately following, wages rose sharply, but in few cases did they more than keep pace with the increase in the cost of living, which doubled. When prices fell, wages also began to fall. Worse still, the fall in prices was soon followed by unemployment. We have sought to avoid that experience this time. We have avoided it thus far. If humanly possible, we are determined to avoid it to the end of the war, and in the postwar period. What I wish to impress upon you is that, if we are to win the battle against unemployment in the postwar period, we must first of all win the battle against inflation.

Meanwhile, I wish to say with equal emphasis that, in a time of war, inflation is one of the quickest and surest ways of weakening the home front. That is why, from the very start of the war, we in Canada set out to prevent inflation. To help pay for the war, a large part of the extra income caused by increased production has been gathered into the national treasury by such measures as the 100 per cent excess profits tax, the income tax, which is particularly heavy on medium and large incomes, and borrowings through victory loan and war savings campaigns. Much as we may dislike the war taxes, they at least help to keep up the buying power of every dollar each of us has left to spend.

The Establishment of the Price Ceiling

But we found, two years ago, that we could not win the battle against inflation with taxes and borrowing alone. Prices began going up too rapidly. Each dollar was buying less and less. The time had come for a more drastic weapon. We then decided to fight inflation with direct control of prices. A so-called "ceiling" was placed over virtually all prices. We all welcomed the "ceiling" on the prices of things we had to buy. But, someone has to sell everything we buy. And it is impossible to control the price of what we buy, unless the price of what is sold is also controlled.

It is here that the battle against inflation has called for self-denial and self-discipline. Everyone can see an immediate advantage in increasing his income, whether it is by getting higher prices for what he sells, or a higher salary or wages for his work. It is not so easy to see that a higher money income will not be of any advantage if, because prices are going up, all our money buys less and less. The fact that the vast majority of Canadians realize that inflation will hurt themselves is a tribute to their intelligence. The fact they also realize that inflation would hurt the war effort is a tribute to their patriotism.

The battle of production began four years ago. For two years, it was an up-hill struggle. But Canada's success in that battle has been the marvel of all our Allies. We also began to prepare for the battle against inflation four years ago; but the battle itself was not actually joined until two years ago, when the price ceiling was adopted. In that battle, too, Canada has done well. Since the outbreak of war, the cost of living in Canada has risen only a little over 18 per cent as compared with 53 per cent in the corresponding period of the last war. From 1939 until the price ceiling was imposed, the increase was 15 per cent. So successfully has the price ceiling been maintained that the cost of living has since risen little more than 3 per cent. In the corresponding two years of the last war, it rose 33 per cent, which is just ten times as much.

The battle against inflation is being waged by the people of Canada in co-operation with their government. The price ceiling is the front line in that battle. If we fail to hold that line, the whole structure of our war effort will be impaired. We would endanger the continued and uninterrupted production of munitions of war. We would be lessening the purchasing power of money in our possession, and penalizing all whose incomes are fixed. We would be lessening the value of war savings, and indeed of all savings, both compulsory and voluntary. We would be cutting down the value of the allowances of soldiers' dependents, and of the pensions of disabled soldiers themselves. Worst of all, by jeopardizing production through industrial strife, we would be adding further risks to the lives of our fighting men. If the battle line begins to crumble, if the price ceiling breaks down, in the long run, all stand to lose.

Wage Stabilization

In order to hold the price ceiling, it was necessary to control wages. But while almost all prices were "frozen," the government did not "freeze" all wages. We knew there were inequalities and injustices in the wage structure which needed to be remedied. When wages were stabilized two years ago, a National War Labour Board and Regional War Labour Boards were established. To these Boards was given the power to adjust wages which were found to be low by comparison with wages paid for similar work under comparable conditions. In the past two years, the War Labour Boards have dealt with 40,000 applications for wage adjustments affecting two and a half million workers. Adjustments to remove inequalities were made in 90 per cent of the cases. The result of these adjustments, now in force, has meant a total increase in payment to Canadian wage earners of more than \$150,000,000. This is conclusive evidence that wages were not frozen.

If, however, wages generally were allowed to rise, it would be quite impossible to hold the price ceiling. Wages are a large element, often the largest element, in the cost of everything we buy. That is why if prices were to be controlled it was necessary to control wages.

When the price ceiling was established two years ago, no one could be sure how far it would be possible to hold

(Turn to "The Battle," page 31.)



CREDIT

In the Postwar Era

J. P. A. Smyth

Vice-President, Industrial Acceptance Corporation
Montreal, Canada

WITH A VIEW to evaluating consumer credit in the postwar world it would, I think, be well to make, first of all, a brief analysis of the pent-up market for merchandise lending itself to credit sales.

Sales volume of such merchandise falls into two distinct brackets, the so-called "soft" goods division and durable goods. Upon the former I will dwell very briefly, inasmuch as it is a market which, during the period of restricted production, has not suffered to the extent as that applying to durable merchandise. Substantiating this statement, I might point to the sales records being established throughout the United States and Canada, for instance by the departmental stores. It would, therefore, appear that the greatest postwar expansion, from a sales viewpoint, will be in the durable goods category, following the relaxation of production restrictions imposed by governments on this continent during the period of hostilities.

Prospective Markets

In this particular bracket perhaps the automotive industry is pre-eminent. Records indicate that mass production by this particular industry immediately followed the inauguration of instalment selling. Taking into consideration the discontinuance of production early in 1942, the assumption that there will be—notably in Canada—a greater per capita car ownership and, last but not least, the eventual if not immediate introduction of mechanical and artistic improvements, we can anticipate a prospective market almost beyond the realm of imagination.

The postwar production figures which we may expect will be restricted only by limitations of present and prospective retail distributing organizations and will undoubtedly greatly exceed prewar figures. Calculations based upon these assumptions forecast a steadily expanding market for three years following the advent of civilian production, then a levelling off at a high figure for another two or three years before the backlog of requirements has been satisfied.

The market for refrigeration in its different forms will provide a very important field for expansion. That industry will possibly vie with the automotive in importance and greater degree of usefulness, not only in the average home but to a larger extent in commercial enterprise, notably in connection with the aggressive development of quick-freezing facilities and locker accommodation for the convenience of the public. In my opinion, this field will be limited only to the extent that provision

is made for such equipment in the individual home—which means, in many cases, two refrigerators; one for requirements in the kitchen as at present, supplemented by a quick-freezing unit and storage locker in the basement. This concept of two refrigerators in the home must not be condemned as beyond the reach of the average man.

It is not so many years ago that mechanical refrigerators were dismissed as newfangled luxuries whereas today they are standard units of household equipment. There is no reason to suppose that the demand for improved methods of food processing and storage will not keep pace with the inventiveness of the producer and the efficiency of his product. The reverse is true, for at the present time there is an enormous demand for varying types of refrigerating equipment which cannot possibly be met until the resources of our manufacturers are once more geared for civilian production.

In the field of electronics, developments of the past few years have had the effect of making in a sense obsolete our present radios and other types of recording units. Television will be an accepted principle. If this forecast becomes fact, we have before us a market of tremendous importance as relating to the radio reception industry alone.

In other household necessities, notably stoves, washing and ironing machines, refinements have been introduced which will create a greater than ever desire for ownership, thus forming a market of almost unbounded scope.

Plastics in themselves, apart from their contribution to the effective production and sales of consumer goods particularly referred to in the preceding paragraphs, will, I feel, be used in the manufacture of other articles of merchandise which will appeal to our buying public. There will be, for instance, furniture and lighting fixtures which will revolutionize prewar standards of design and efficiency.

After Hostilities Cease

Imaginatively, one might carry on almost indefinitely dwelling upon incentives to purchase when all types of consumer goods are available in quantity. However, from the foregoing highlights you will be able to visualize the market potentialities for us after hostilities cease.

Now I shall deal with the credit viewpoint and revert briefly first of all to comment upon the credit restrictions imposed as a wartime measure. First, with reference to the "soft" goods division, while I am in principle opposed to the legislation which affects business I cannot disregard

the thoughts expressed by friends in the "soft" goods field as to the effect of this legislation. Undoubtedly, in this particular merchandising category, where credit and sales are so closely correlated, indulgences have been if not necessary at least expected by the buying public. As a result, charge accounts became, in many instances, a serious problem, which, here in Canada (and I understand the same applies to the United States), has been practically obviated by means of legislation presently effective.

A return on the part of purchasers to the expectation of privileges which were in vogue prior to the war is not looked upon with favour by merchandising outlets. Some have openly expressed the hope that legislation now in effect would extend into the postwar period, thereby removing this problem which existed before war measures were adopted. Present government restrictions make possible the collection of open accounts within a certain period and prescribe that customers are not entitled to the extension of credit beyond given dates if obligations incurred so many days prior thereto have not been paid.

The problems affecting the instalment sales field are not many but what they lack in number is offset by their importance. The prime problem is the maintenance of terms to maturity and down payments sufficient to create in the purchaser's mind a proper and reasonable sense of pride in ownership. During that period following the depression era and prior to the outbreak of war in Europe there was progressively each year on this continent a noticeable weakening of the credit structure relating to instalment sales. From an examination of the advertising then current, one could not help but arrive at the conclusion that instalment terms were being emphasized to such an extent as to be pre-eminent in the advertising copy. Generally speaking, the quality of the product became secondary in importance and the selling emphasis was laid upon the low cash deposit or its equivalent and extended monthly payments under which the article could be purchased.

Responsibility of Employment

Continued public acceptance of such sales principles would have unwittingly contributed to another depression. To analyze this statement chronologically we might take, for example, an individual earning an income of say \$40.00 to \$50.00 weekly. Low down payments and monthly instalments too extended prompt him to undertake to purchase concurrently perhaps an automobile, a refrigerator and other articles not only of the durable but also of the "soft" goods classification and still have sufficient funds available to keep up his essential living requirements. If this and similar examples are multiplied by many thousands, you can visualize how the power of such unsound merchandising loses its effect because the seeker for credit is no longer interested in purchases even on his own terms. He has acquired everything that he feels he needs. It then follows that retailers' sales fall away, which is, in turn, reflected by a lack of orders to the producer upon whom lies the responsibility of employment.

Diminution of producers' sales brings a curtailment of working hours reverting inevitably to the wage earner. If he is not laid off entirely his income might be cut to

a point where it is sufficient for only the bare necessities of life. It follows that instalment payments cannot be made and retailers are faced with the dilemma of repossessing the merchandise or taking a chance on full-time employment and eventual payout at a much later date. Obviously, articles repossessed must be resold. To the extent that repossessions are put on the market, the distribution of new merchandise is retarded, thereby aggravating the condition I have attempted to portray.

If instalment sales carry conditions of a sufficient down payment and restricted payout periods instead of deviating from basic principles of credit, such a chaotic condition, resulting from a multiplicity of purchases, can be avoided. If there is any justifiable criticism of instalment credit it can, in my opinion, be substantiated only by application to merchandising practices such as those just cited. Basically the principles of instalment sales are sound.

Elasticity of Credit Terms

With the vast backlog of buying power which will be available in the postwar period we do not expect, except in isolated instances, that sales efforts will revert to old practices immediately. However, as production overtakes this surging purchasing power we must, I submit, be careful to see that instalment terms are not weakened by drastic modification of down payments or extension of payout periods in order to augment the consumer credit market.

The foregoing is not to be construed as acceptance by me of present terms which are the outcome of governmental measures. While admittedly they have served a purpose since their inauguration, they would, I feel, be a sales deterrent in our peacetime economy. The principle which I would like to see applied, both as to down payments and payout periods, would be one of elasticity. When the flow of business activity is at a low ebb, credit requirements should be moderated in order to augment its volume; conversely, during a period when merchandising turnover reaches a high level, terms should be controlled well within the limits permitted while business was rising to that point. In writing a history of instalment sales, analysts will, I think, find that the heaviest credit losses developed from the peak selling periods.

In reviewing substandard down payments and payout periods I am not implying that these are the only requirements necessary for sound credits. Fundamentally, we should establish the purchaser's ability to make payments on his maturing instalments and to do so we must, first of all, within reason, establish the monthly income of the applicant for credit. This is particularly important and equally so is the fact that we should not allow him to tie up too much of his salary or other sources of income in payments on an instalment purchase. From twenty to twenty-five per cent of monthly income should, generally speaking, be the maximum. This percentage might even be high if a credit investigation discloses that the would-be purchaser has already incurred and there remain unpaid other obligations which constitute a further drain upon his income.

During the period of hostilities, a substantial proportion of our buying public, of which a great number are

(Turn to "Postwar Era," page 21.)



Credit Department Letters

J. GORDON DAKINS

IN LETTER WRITING, as in conversation, many of us have trouble putting the right words in the right places. We find it difficult to select the exact words which will convey clearly and forcefully the precise meaning intended—and no other.

Words, however, are the tools of expression, and the choice of words is the foundation of every message. It is evident, therefore, that we should always examine them carefully to make sure that we really know their exact meaning.

Here is a list of words often confused and misused:

Affect—effect. *Affect* is always a verb meaning to influence, to change, or to pretend, as: "Did the frost affect the plants?"—"He has been known to affect ignorance of the law."

Effect is used either as a noun or a verb. As a noun, it means outcome or result, as: "What effect did the weather have on the game?" As a verb, it means to accomplish, to bring about, as: "Did he effect the change?"—"He effected settlement of the account."

All right—alright. *Alright* is not recognized as good usage. The correct form is *all right*.

Already—all ready. *Already* means beforehand or by this time; *all ready* means entirely ready or fully prepared. Example: "The goods have already been shipped."—"The papers are all ready to be signed."

Apt—likely—liable. *Apt* means tendency, as: "An impulsive person is apt to blunder." *Likely* means probability, as: "He is likely to be here soon." *Liable* means unpleasant responsibility, as: "He is liable to be fined for speeding."—"The guarantor is liable for the debt of his principal."

Besides—beside. *Besides* means in addition to, or moreover, as: "He was controller besides being credit manager."—"Besides, we are closed on Saturdays." *Beside* is used to show position and means near by or close to, as: "His desk stood beside the rail."

Each and every. Use one word or the other, not both together, as: "Every person [NOT each and every] should invest in war bonds."

Etc. Avoid this abbreviation. It is better to use specific words in place of it, or omit it. So instead of saying, "We will send the catalog, etc., at once," it is better to say, "We will send the catalog, price list, and blank forms at once."

Can—may. *Can* means to be able; *may* implies permission. Example: "May we send you one on approval?" NOT "Can we send you one on approval?"

Further—farther. *Further* usually refers to time, quantity or degree, as: "We have nothing further to report." *Farther* refers to space or distance, as: "Our city is farther from New York than from Boston."

(Continued in the February CREDIT WORLD)

This Month's Illustrations

During the past few years, there has been a marked tendency on the part of alert credit executives to "streamline" their correspondence. The old, hackneyed phrases have been discarded for newer, more vital words; the reader is "put into the picture" more often; and there's a friendliness and humanness of tone in evidence in business letters today. That this modern way of writing letters is proving just as effective in Canada as in the United States is indicated by this month's illustrations from "across the border."

The well-written inactive account letter shown in *Illustration No. 1* is the work of Mr. W. D. Havard, Credit Manager, Hudson's Bay Company, Edmonton, Alberta. Notice how he secures attention by the expert use of the approval appeal in the first sentence, and how the customer is stimulated to act by the cordial invitation of the final paragraph.

A little out of the ordinary is the letter shown in *Illustration No. 2*, sent to us by Mr. Eric Marsden, General Manager, Sterling Food Markets Limited, Vancouver, B. C. This new account acknowledgment letter is unique in its definite statement of the credit limit assigned. The wording is pleasing and the letter carefully constructed.

Illustration No. 3 shows how Mr. Arthur T. Paddon, Credit Manager, Thomas C. Watkins Limited, Hamilton, Ontario, approaches the instalment customer who has paid only a part of his arrears. The message is courteous, yet the wording is such that the debtor cannot fail to understand what he must do. There is not a wasted word in this letter which is built up to the climax of the final sentence—"Write us now so that we may know your intentions."

Illustration No. 4 also comes from Hamilton, Ontario. It is a printed default notice which has proved very effective for Mr. T. E. Robertson, Secretary, the G. W. Robinson Co. Limited, who sent it to us. If Mr. Robertson were to ask for a suggestion that might improve this excellent notice, it would be that the word "trust" be omitted and the final sentence changed to read, "We anticipate your cooperation. . . ."

The Robert Simpson Company, Limited, Toronto, Ontario, uses the letter reproduced in *Illustration No. 5* to answer inquiries from individuals who wish to open charge accounts. The opening paragraph is good—the information supplied through the letter is timely and helpful—and it carries a clear-cut statement of terms. It is one of a number of splendid letters that have just reached us through the courtesy of Mr. T. L. Robinette, K.C., Manager, Department of Accounts. We shall try to share the others with you soon.



Hudson's Bay Company.

INCORPORATED 2ND MAY 1870

RETAIL STORE
EDMONTON.
ALBERTA

IN REPLY PLEASE QUOTE
REFERENCE

(1)

January 11, 1944

Mr. Louis Waters
25 Albany Court
Edmonton, Alberta

Dear Mr. Waters:

Your account at "the Bay" is appreciated. So rarely have we had occasion to address you that we want to say "thank you" now, for your patronage.

"The Bay" organisation is built on the theory of a specialised service in every selling section, and it is our hope that some part of this institution may regularly assist in meeting your requirements.

As our constant endeavor is to strive always to secure the satisfaction of every customer, we are concerned because of the present inactivity of your account. If some service has not pleased you will you favour us with this information on the reverse side of this letter, so that we may make amends.

If, however, all is well, may we see you soon? Just say "Charge it, please," to the salesperson who next serves you.

Yours faithfully,

For the HUDSON'S BAY COMPANY,

H. W. Howard

CREDIT MANAGER

WHD:IC

STERLING FOOD MARKETS LTD.

HEAD OFFICE 18 WEST HASTINGS STREET

VANCOUVER, B.C.

MARKING 4421

CALGARY OFFICE
316 8th Avenue West
CALGARY, ALBERTA
Main 5416

(2)

January 6, 1944

Mrs. Jane Allan
787 Avenue North
Calgary, Alberta

Dear Mrs. Allan:

Your choice of "Sterling" as your meat market gives us a feeling of pride.

In responding to your application, it is a pleasure to authorise our manager, Mr. A. Smith, of Market No. 5, to open a monthly charge account in your name (to the amount of \$25.00). Statements are rendered as at the last day of each month, and are due and payable by the tenth of the following month.

We can assure you that it will be our aim to make shopping on a charge account both convenient and profitable to you at all times.

Yours sincerely,

STERLING FOOD MARKETS LTD.

For: *M. Cochrane*

MC/WH

THOMAS C. WATKINS LIMITED
"THE RIGHT HOUSE"

January 6, 1944

Mr. Ralph Wood
452 January Road
Hamilton, Ontario

(3)

Dear Mr. Wood:

Thank you for the payment recently received.

This remittance has been credited to your account, but as it is still in arrears we would appreciate hearing from you as to how this delinquency will be paid.

May we suggest that you increase your payments each month? In this way you will gradually liquidate the arrears and put the account in good standing.

Perhaps you have a better plan? At any rate write us now so that we may know your intentions.

Yours truly,

THOMAS C. WATKINS LTD.

Arthur J. Paddon

Collection Dept.

ATP RE

The enclosed statement

(4)

Indicates that your account is now \$35.29

In arrears under existing terms WHICH REQUIRE SETTLEMENT IN FULL BY THE 25th OF THE MONTH FOLLOWING PURCHASE—you will understand that further purchases cannot be made while default continues.

It may be that some part of this balance represents merchandise returned and not credited or work not completed. Should this be so, we would be pleased to hear from you, that the necessary adjustments may be made.

The G. W. Robinson Company has always appreciated your patronage. We trust you will co-operate with us in arranging settlement, that we may still be privileged to serve you on your Charge Account.

THE G. W. ROBINSON CO., Limited

THE ROBERT SIMPSON COMPANY LIMITED

TORONTO CANADA

January 12, 1944

(5)

Mr. Walter Dale
Room 296, Union Apartments
Toronto, Ontario

Dear Mr. Dale:

Your enquiry concerning a Simpson Charge Account is very much appreciated. It is our belief that a Charge Account will make your shopping at Simpson's more pleasant and convenient.

Merchandise of any kind may be charged to your account. A detailed statement is mailed to you after the twenty-fifth day of each month and is payable by the twenty-fifth day of the following month. This statement shows clearly each purchase made during the month.

Will you please fill out the enclosed application and return it to us? We shall then be very glad to give this matter our immediate attention.

Yours very truly,

THE ROBERT SIMPSON COMPANY LIMITED
Charge Office

M. J. G. Snell

Manager

WLD
WH

NATIONAL MEMBERSHIP

Pays Dividends

J. Gordon Dakins*

IN 1912, a small group of credit and bureau managers, realizing the need for credit cooperation, met at Spokane, Washington, and at that meeting the National Retail Credit Association was born.

Its growth was slow in the early years and its accomplishments limited, with one exception—the willingness of credit men from coast to coast, regardless of business or location, to exchange ideas and cooperate in improving credit conditions. Thereafter, local credit associations and credit bureaus were organized, and credit bureaus then in existence were strengthened.

Where, in 1912, there were only 18 charter members, today the National Retail Credit Association—now international in scope—numbers more than 15,000 members in the United States, Canada, England, Australia, and New Zealand. If for no other reason than the bringing together of those thousands of members, enabling them to help themselves by helping each other, it has justified its existence.

Purposes of N.R.C.A.

For over thirty years the N.R.C.A. has been the only organization which has constantly worked for the betterment of retail credit conditions. Year in and year out its efforts have been devoted to preaching that credit can be sound only when the proper investigation of all applicants is made through a responsible credit bureau; when retailers cease to use credit terms as a competitive selling feature; when all merchants cooperate wholeheartedly in eliminating the undesirable, insist upon prompt payments; and do not oversell their customers beyond their ability to pay.

The N.R.C.A. has organized credit associations in hundreds of local communities and sponsored community credit policies in these places. In addition, it has promoted credit studies, research and educational features, in order to train credit granters in sound ethics. Moreover, because credit can be controlled most successfully and credit losses curtailed more effectively if credit granters in every line cooperate, the National Association has invited and embraced the membership of all classes of credit granting retailers without distinction or restriction.

As a matter of fact, the N.R.C.A. is unlike any other business organization. Its position is unique. It has

brought competitors together in such a way that they have worked together—forgetting competition as far as credit is concerned. And today the credit fraternity stands as the outstanding example of cooperative achievement. Credit executives have gone more than halfway in helping one another. Pooling their confidential information for the common good, they have established a mutual trust that has proved profitable to retailers. "In union there is strength" is evidenced by the low credit losses in organized cities.

Let's look at some of the accomplishments of the National Retail Credit Association. First, it has caused legislation to be enacted for the protection of the credit granter. Where one credit granter, working alone, would be powerless, thousands of them banded together in the N.R.C.A. are able to demand and can expect to be heard in matters affecting their mutual interests. Practically every improvement in national and state laws during the past thirty years—that is, laws of benefit to the retail credit granter—has been brought about by the N.R.C.A., or by its affiliated state associations with National Association support: for instance, passing of new laws or putting teeth in old ones against bad check passers, forgers and other credit frauds; and strengthening of garnishment laws.

Besides its legislative accomplishments, the N.R.C.A. has a successful record in the field of credit education. It has published a number of textbooks on credit granting, including *Retail Credit Fundamentals* by Dr. Clyde Wm. Phelps, and *Streamlined Letters* by Waldo J. Marra; and has sponsored and aided in the operation of credit schools. In the past three years, 161 credit schools have been conducted in Canada and the United States. The National Office has provided not only the textbooks, but also the material for the instructors. One of the excellent features of this credit school plan is that junior credit department employees are being trained to accept more responsibility.

Home Study Plan

The National Home Study Plan is the most recent development in credit education. Under this plan, extension courses are now available in credit granting and business letter writing for those who are unable to attend credit schools. That these courses are filling a real need is indicated by the hundreds of students who have enrolled this year.

Closely allied with the extension courses is the new *Better Letters Service* established in July, 1943. This service is designed to help credit executives streamline

*Educational Director, National Retail Credit Association; formerly Retail Credit Manager, British American Oil Company Limited, Toronto, Canada.

their correspondence, and combines model credit letters with practical suggestions for the improvement of business correspondence. Many of the leading credit executives in Canada and the United States now subscribe to this monthly service.

The National Retail Credit Association has also sponsored Pay Promptly Campaigns. The advertising material used is supplied by the Association, and through these campaigns the public has been educated to the importance of keeping a good credit record. By constant publicity, the N.R.C.A. has brought home to the public the necessity of paying bills promptly.

One of the finest steps toward wider public knowledge of good credit practice is the Association's educational film, "Credit—The Life of Business." Comment about this film has been gratifying. It has already helped many cities to get across a message in thirty minutes that thousands of words in bulletins could never accomplish.

Another movement that has been successfully sponsored by the National Association is the adoption of community credit policies by many local associations, standardizing credit terms, restricting merchandise returns and requiring a carrying charge on accounts not paid in accordance with prevailing terms.

Because of its diversified membership, reaching from coast to coast, including all of Canada and the United States, and the cooperation of the membership as a whole, it has been possible through the years to make a showing in credit sales and collections of which the credit fraternity is proud.

The National Association, through the pages of its publication, *The CREDIT WORLD*, and its pamphlets, has continued to keep up with the times. Many articles on the Soldiers' and Sailors' Civil Relief Act have been printed in addition to an authoritative booklet on the subject. In addition, every revision of Regulation W has been printed in *The CREDIT WORLD*, and all interpretations as they have been issued. *The Layman's Manual of Regulation W* was also prepared and published, as a result of which the regulation has been made more understandable to credit granters. Canada's Order No. 225 has also been carefully explained in print and the effect of government regulations on credit in Canada has been described and evaluated.

Benefits of N.R.C.A. Membership

It can be readily seen, therefore, that every member of the N.R.C.A. receives very definite benefits from his membership. Some of these benefits are intangible, but others are not, and all of them go together to make membership in the National Association a definite asset to the credit granter.

All members receive *The CREDIT WORLD*. The only publication devoted exclusively to retail credit, it is the official organ of the N.R.C.A. and is published monthly. It does for the whole membership what meetings do for the local association members. It is not a magazine with a few items concerning credits and a few stories, but a practical, right-on-the-job credit aid, containing articles on credits and collections written by leading credit men and women throughout the country, forms and form letters proved successful in practice, and publicity of an educational nature.

The N.R.C.A., through the columns of *The CREDIT WORLD*, keeps its members informed as to the latest developments in credit practice in all parts of North America. It alone is worth many times the price of membership and is, in fact, a publication that no progressive retail firm can afford to be without.

The N.R.C.A. maintains a research department which gathers forms, makes studies dealing with credit problems, and secures the answers to questions sent in by members. It is this department which prepares the annual Credit Department Costs Study, a report which is available to members who contribute data. Through its many channels, the National Association gathers dependable statistics to which you may turn when in need of information.

Research Division Activities

Some of the advantages enjoyed by N.R.C.A. in its work of gathering credit information are:

1. The combined experience of all members of the Association is at the disposal of each individual member, and because of a spirit of cooperation, each member is willing to spend time in answering questionnaires and in helping generally to aid any study fostered by an organization of which he is a part and in which he has confidence.
2. Every member, through the Association, is usually able to secure competitive statistics which otherwise might not be obtainable.
3. The studies of the Association are usually helpful to the trade as a whole and are not colored by the peculiar interests of any one member.

The data on credit trends, collections, credit and total sales which appear each month in *The CREDIT WORLD* are also gathered by questionnaires by our Research Division, and special studies are conducted in the same manner.

There is also an Educational Committee which interests itself in the preparation of credit texts and the formation of credit schools. Its latest publication will be a new book on retail credit by Dr. Phelps which will be used as a text for an advanced course in credit management.

Membership helps, such as booklets on organizing and operating a local association, are furnished by the National Office, together with full information on how to conduct meetings. These regular meetings held by the local associations are invaluable to the members, as they stimulate interest and effort in credit improvement. By the exchange of ideas and information concerning unsatisfactory customers, the use of our collection letters, organized campaigns, the credit granter not only has a surer basis on which to solve his everyday problems but sees his collections substantially increase and his P. & L. list steadily dwindle. Aside from the valuable information which is received from these meetings, there is a strengthening of friendship and an evidence of good fellowship which is vitally necessary among credit granters, as cooperation is the elementary step in establishing a healthy community credit policy.

Every year the N.R.C.A. conducts a conference and credit sales forum, to which all members are invited. It is an outstanding event in retail credit circles. The meetings are addressed by speakers of national repute, and

group meetings are held to consider the best ways to solve the problems of credit granting. No one can attend the National and District meetings, with an open mind to learn, without being a better credit manager. If only one good idea is brought back it will amply repay each member for the time and money expended, and the friendships cultivated from attending these meetings are priceless.

Every city in Canada and the United States having a credit bureau should have a local association closely affiliated with the Canadian Association and the N.R.C.A. Every bureau manager will find it profitable to foster such an organization and to encourage 100 per cent National membership among his local members. Without it, he is waging a lone fight in improving local credit conditions; but with his members all belonging to the National, he has the power of the N.R.C.A. constantly working for him, educating his members in proper credit procedure. Then, when he proposes a new step in credit methods or control, they know he is on the right track because they know that the same thing is already being done in other communities.

What better way can be provided to broaden our thought than through a central association, where there is free exchange of opinions and a possibility of enlarging one's acquaintanceship, as well as the many other advantages that are to be gained through being a member of such an organization?

Testimonials

Read what some of your fellow credit and bureau executives have to say about membership in the National! Mr. W. G. Cassmeyer, Credit Manager, Merchants Ice and Coal Company, St. Louis, Mo., says:

I consider The CREDIT WORLD alone worth the price of membership. It brings worthwhile ideas, even from those in other lines of business, which I can apply in my work. It keeps me posted on what others are doing—gives me a measuring line by which to gauge my own efforts.

Mr. Leo M. Karpeles, Secretary-Treasurer, Burger-Phillips Company, Birmingham, Alabama, makes this statement:

The N.R.C.A. has proved its worth. The district conferences, the National conventions, and the group meetings are a constant source of education and information, either confirming present methods now employed or giving me the benefit of some better experience which can be substituted.

Mr. J. W. Mehling, General Manager, Retail Merchants Credit Bureau, Baltimore, when asked to comment on the action of the Baltimore Association in making all credit bureau members National members, said:

In unity there is strength. There is certainly need for strength in administering retail credit. It therefore follows that united effort is absolutely vital in building a national organization that will adequately protect the untold millions represented in the extension of retail credit. There is need to elevate the standards of the profession, to make credit granting a recognized profession, attracting to its ranks a high grade

of personnel. There is need also for aggressive action as well as watchfulness in the matter of national legislation which pertains to or which may affect retail credit granting. Baltimore realized that the N.R.C.A. was attending to these needs, but felt that a more complete job could be done if all retail credit granters did their part. We believe that all should do their part, and for this reason decided that we would require all regular subscribers to our credit bureau service to become members of both the local and national associations.

Mr. Harland C. Bush, Manager, Credit Reference and Reporting Company, Des Moines, points out:

It is only repeating what others have often expressed when I say that the N.R.C.A. and its affiliated groups have rendered invaluable service to business in the awakening of the credit manager to the responsibilities and importance of his position. From the Bureau standpoint, I would say that the National Association has rendered invaluable service to us in Des Moines, and after 12 years' experience, there is no question in our minds as to the value and advantages derived from selling membership in both the local and national associations.

Thomas Downie, Manager, Retail Credit Grantors' Bureau, Ltd., Vancouver, B. C., Canada, quotes Francis Bacon—"When all is done, the help of good counsel is that which setteth business right"—and says:

These words, to me, fully sum up the position of the National Retail Credit Association—a fountain of good counsel to which we can turn for help in setting our business right. As the mortar serves as the tie that binds single bricks into a finished useful building, so does the National Retail Credit Association bind the individual retailers of this continent into a constructive, progressive international institution.

Mr. J. D. Southworth, Manager, Kootenay Credit Service, Trail, B. C., Canada, when asked to explain how he induced every member of his bureau to become a member of the N.R.C.A., explained:

Since the cost of membership amounts to but the price of a verbal file report the idea was simple to put into operation. We merely cut down on the number of guaranteed reports for the monthly dues paid. In short, The CREDIT WORLD comes in lieu of one report and to me that one report is the most valuable one they receive.

The National Retail Credit Association has always been a symbol of progress and today every retailer needs more than ever its protection and counsel. In fact, the existence of the N.R.C.A. is now of such fundamental importance that no one who seriously contemplates its worth would refuse the small sum that enrolls him as a member.

It needs us all, and each one of us together can make our association bigger and better—because credit, with its many problems, is important enough to need us all working together in loyal cooperation.

And this means you—just as much as your fellow credit man. If you are not a member of your local association and the National, enroll now.

Perhaps the National Association is an intangible. If it is, so are your government, your army and navy, your police force, your schools and your churches. But—would you do without them? Neither should you try to get along without your National Association for the trifling cost of membership—less than two cents a day—less than the cost of your daily newspaper!

Your membership in the National will be an asset to your local association and the Canadian Association. You will receive The CREDIT WORLD and keep in touch with credit activities, local, state and international.

*Reading this magazine carefully
and regularly will contribute to
your success as a Credit Executive*



Are You Prepared To Meet the Challenge?

A TREMENDOUS EXPANSION in retail credit sales may be expected in Canada and the United States during the postwar period. The pent-up demand for consumer goods resulting from the present scarcity of merchandise will be terrific. Cash will be used for only a fraction of postwar purchases, for most individuals will want to keep their war bonds and savings accounts as a nest egg for the future. To supply their needs, they will turn to credit which will become one of the most important methods of getting goods into the hands of the consumer and of maintaining postwar production at a level which will eliminate the danger of widespread unemployment.

Credit executives, therefore, must prepare NOW to meet the demands which will be made upon them after victory has been won. They must be ready to extend credit without the benefit of government controls, and to secure the greatest volume of credit sales possible within the limits of sound credit principles.

It is the wise credit granter who is busy now preparing for the future. Now is the time to consider plans for your postwar credit policy—to determine the terms upon which you can safely grant credit. This is also the time to train your credit department personnel thoroughly in the principles of retail credit practice so that they will be able efficiently and confidently to handle the problems of the future. Now is the time, too, to think about the ex-serviceman who will be coming home, and how you will handle any outstanding indebtedness or requests for additional credit. Don't overlook the fact that war workers whose jobs are likely to terminate with the end of the war, may move to other communities. Care is necessary to prevent the development of a skip problem which might well prove disastrous.

In planning for the future, bear in mind the advantages of belonging to a credit association. If there is a local association in your city, take an active part in its activities; if one has not yet been organized, take the initiative to interest others in forming a credit group. By meeting at least once a month with your fellow credit granters, you will find a resulting interchange of ideas which will more than repay you for the time you put into it.

Yes, the postwar era presents a challenge to the credit profession.
Are you prepared to meet it?

G. S. Murray.

SECRETARY-TREASURER
MURPHY-GAMBLE LIMITED, OTTAWA, CANADA
DIRECTOR (N. R. C. A.) FOR CANADA



Retail Credit Grantors Provisional Directors & Chairmen

THE MOST IMPORTANT development in retail credit that has taken place in Canada for many years is the formation of a new National Association to coordinate the granting of consumer credit. Last October the organizing committee started to work on the selection of an appropriate name, the preparation of a Constitution and By-laws and other details. The name of the Association has not as yet been officially announced; however, the directors and chairmen of committees have been appointed. The directors are to elect the officers. In addition to the directors and chairmen listed below, L. S. Crowder, General Manager-Treasurer of the National Retail Credit Association, to serve on the Board of the Canadian Association as a Member at Large.

★ ★ ★

★★ R. E. BAYLIS, partner, Kennedy & Baylis, Toronto, Ontario, has spent over 20 years in credit and general financial administration. He is a past Chairman

of the Associated Credit Managers of Toronto, and served as a Director of the National Retail Credit Association in 1938-1939. (Chairman, Membership Committee.)

★★ WILLIAM J. BELL, Assistant Manager of the Vancouver Branch of the Canada Permanent Mortgage Corporation and Inspector of the Vancouver Branch of the Canada Permanent Trust Co. He is Vice-President of District Ten and past president and honorary Vice-President of the Vancouver Retail Credit Grantors' Association. (Chairman, Board of Directors.)

★★ W. PERCY BURGONE, Secretary-Treasurer, Gordon & Keith Furniture Co., Ltd., Halifax, Nova Scotia. (Director and Chairman, Programme Committee.)

★★ JOHN F. COOK, Credit Manager, Windsor Utilities Commission, Windsor, Ontario, since 1931. His work has been outstanding and has drawn favorable comment from the Hydro Electric Commission of Ontario. He has appeared on many of their convention programs. (Director and Chairman, Publications Committee.)

★★ H. J. CRADDOCK, M.C.I., recently assumed the Presidency of the Aluminum Goods Limited, Toronto, Ontario. He began his career with that firm in 1919 after his return from overseas in World War I. For a number of years he was Credit Manager and Treasurer. He has served as Chairman of the Associated Credit Managers of Toronto and has been on the Directorate of the Toronto Credit Bureau practically since its inception and is now President. (Director.)

★★ S. B. LATRAVERSE, Credit Manager of Dupuis Freres Limited, Montreal, Quebec. He became associated with this firm in 1919 beginning as a clerk and later becoming chief accountant at the Mail Order Division. This firm operates a store and mail-order business and is commonly known as the largest French store in the British Empire. He is a Director of the Montreal Chapter of the Canadian Credit Institute. (Director and Joint Chairman, Finance Committee.)



Wm. J. Bell



H. J. Craddock



S. B. Latraverse



Eric Marsden



Wm. Matthews



G. Scott Murray

Directors of Canada Chairmen of Committees



★★ **ERIC MARSDEN**, President, Sterling Food Markets Ltd., Vancouver, B. C. Mr. Marsden joined the Sterling Food Markets in 1934 as an Accountant. Prior to that he was connected with Burns & Co. Limited as Cashier and Bookkeeper for 13 years. (Chairman, Public Relations Committee.)

★★ **WM. MATTHEWS** has been Credit and Office Manager for Sumner Co. Ltd., Moncton, N. B., for 23 years. A graduate of Kings College, London, England, he is a member of the Credit Institute of Canada. The Sumner Company has been in business over 88 years. (Director.)

★★ **G. SCOTT MURRAY** is Secretary-Treasurer of Murphy-Gamble Limited, Ottawa, Canada, which business he purchased with his brother in 1925. He is a director-at-large of the National Retail Credit Association. (Director and Chairman, Legislative Committee.)

★★ **OLIVER PRENTICE** has been Manager of Credit Sales for David Spencer Ltd., Victoria, British Columbia, since 1932. For four years he was a director of District Ten and is a past president. Also past president of the Credit Grantors' Association of Victoria and has been a director since 1932. He served overseas in World War I. (Chairman, Research Committee.)

★★ **S. T. RICHARDSON**, Divisional Marketing Accountant, The British American Oil Company Limited, Calgary, Alberta. Born in England, he was educated there and served with the Royal Navy during World War I. He joined The British American Oil Company as a stock clerk in 1921 and rose to his present position in 1942. (Director and Chairman, Education Committee.)

★★ **T. L. ROBINETTE, K.C.**, joined The Robert Simpson Company, Limited, Toronto, as Collection Manager in 1928. He was appointed Manager of the Department of Accounts in 1930 and later took over supervision of credit operations for all branches of the organization. Was appointed a King's Counsel in 1938. (Chairman, Post War Planning Committee.)

★★ **KNUD SCHIOLER**, sole owner of Schioler and Company, financial agents and general insurance, Winnipeg, Manitoba. Born in Copenhagen, Denmark, he came to Canada in 1909. He represented the Scandinavian-American Line as General Passenger Agent for Western Canada, and for a number of years was Danish Consul for Manitoba. (Director and Chairman, Annual Conference Committee.)

★★ **J. A. CAMPBELL SMITH**, Credit Manager, Hudson's Bay Company, Calgary, Alberta. One of the founders of the Calgary Retail Credit Grantors' Association, he is at present Secretary of that Association. He is a Director of District Ten of the N.R.C.A. (Chairman, Resolutions Committee.)

★★ **C. J. SULLIVAN**, Secretary-Treasurer, Mappin's Limited, Montreal, Quebec. Formerly associated with Price, Waterhouse & Co., chartered accountants. He is President of the Credit Bureau of Montreal and is a member of the Lions' Club. (Director and Joint Chairman, Finance Committee.)

★★ **ARTHUR CANNOCK WILLIAMS** has been Credit Sales Executive for R. H. Williams & Sons Limited (Department Store), Regina, Saskatchewan, since 1920. Born in England, he came to Canada in 1913. He is a Past President of the Retail Merchants Association of Regina and Regina Credit Men's Club. (Director.)



T. L. Robinette, K. C.



Knud Schioler



Oliver Prentice



S. T. Richardson



C. J. Sullivan



J. A. Campbell Smith

1943 in Review

January. Personnel is one of the most important credit problems, according to replies received from question, "What is the most important credit problem for 1943?" . . . Death removed from the National rolls three loyal members: Frank M. Butler, Commercial Service Co., St. Paul; S. Frank Block, Levy Brothers, Louisville; and Robert H. Blum, Boston Store, Milwaukee. . . . The bill permitting the garnishment of Federal employees, H.R. 694, was re-introduced by Representative Kefauver.

★ ★ ★

February. N. R. C. A. goes on record as favoring "Pay as you go" income tax plan of Beardsley Ruml, Treasurer, R. H. Macy and Co., New York. . . N. R. C. A. executive committee cancels 1943 convention scheduled for Milwaukee, June 21-24, because of its desire to cooperate with the Office of Defense Transportation in its efforts to discourage travel. . . . As a result of a visit to Washington in the latter part of February, General Manager Crowder, in commenting on reported proposed amendments to Regulation W, expressed the opinion in the February *National Retail Credit Review*, that no major amendments were under consideration.

★ ★ ★

March. First complete issue of *The CREDIT WORLD* dedicated to any country published this month as a Canadian Number. It was favorably received in Canada and the United States. It included messages from the Right Hon. W. L. Mackenzie King, Prime Minister of Canada, and Hon. Jesse H. Jones, Secretary of Commerce.

★ ★ ★

April. A debate was participated in by four members of the Nashville Retail Credit Association on the subject, "That Regulated Credit Is of Benefit to Business in General." The judges decided in favor of the negative side of the subject.

★ ★ ★

May. National Office announces new extension courses in *Retail Credit Fundamentals* and *Streamlined Letters*.

★ ★ ★

June. General Manager Crowder reviews trip through the South, Southwest and Pacific Coast, Pacific Northwest, Winnipeg, Canada, and three cities in Minnesota, which required seven weeks and approximately 7,500 miles were traveled. . . . N. R. C. A. announces a Better Letters Service to be conducted by J. Gordon Dakins, Educational Director. . . . N. M. MacLeod, Secretary of the Spokane Retail Credit Association and owner of the Spokane Credit Men's Rating Bureau for the past 40 years, was honored by credit executives of Spokane at the annual conference of District 10. A gold plaque was presented to him by former National President Ralph Watson, acting for the Association. . . . Edward Meier, dean of Chicago retail credit executives and Credit Manager of Marshall Field and Company, Chicago, announced his retirement after 52 years with that firm. . . . The

annual meeting of the Board of Directors of the Credit Women's Breakfast Clubs of North America was held at the Statler Hotel, St. Louis, June 13, 14, 15. Mrs. Laura B. Geren was elected President, succeeding Mrs. Pauline B. Shepard. . . . The Retail Credit Forum, sponsored by the N. R. C. A., met at the Statler Hotel, St. Louis, June 15-16. A resolution was unanimously passed recommending discontinuance of Regulation W at the end of the war. A similar resolution was also passed by the N. R. C. A. Board at its meeting in St. Louis, June 12, 13, 14. . . . A charter member of the N. R. C. A., Wm. S. Radway, for many years General Manager of the Credit Reporting Company of New England, Boston, passed away June 20 at his home in Coral Gables, Fla.

★ ★ ★

July. The excellent address, "Looking Ahead," by Sidney Baer, Vice-President and Treasurer, Stix, Baer & Fuller, St. Louis, delivered before the Retail Credit Forum in June, appeared in the July *CREDIT WORLD*. The thoughts brought out by Mr. Baer are important enough to justify reading the article again. . . . Annual Reports of the President, General Manager-Treasurer, Secretary and Research Director, Chairman of the Finance Committee, and Washington Representative, likewise appear in the July issue of *The CREDIT WORLD*, as does the excellent message of Joseph A. White, Pittsburgh, newly elected President of the N. R. C. A. . . . Bernard A. Farrell, Credit Manager of Frederick Loeser & Co., Inc., Brooklyn, for 15 years, died of a heart attack on July 27. Mr. Farrell, known as the dean of New York credit men, was a former President of the Associated Retail Credit Men of New York and a former director of the N. R. C. A.

★ ★ ★

August. The August *CREDIT WORLD* carried an interesting article from the *Federal Reserve Bulletin* on the decline in consumer debt by the Board of Governors of the Federal Reserve System. . . . Wm. H. J. Taylor, a past president of the N. R. C. A., and a founder of the Associated Retail Credit Men of New York, died at his home in East Orange, N. J., on August 31, at the age of 90. His active interest in the Associated Retail Credit Men of New York and N. R. C. A. continued until illness confined him to his home, three years before his death. . . . President Joseph A. White visited fourteen cities in seven Southern states, during the month of August. En route home he spent September 3 in Washington for an informal meeting with Representative Shealey and members of the Legislative Committee.

★ ★ ★

September. Fourteen of the leading retailers of St. Louis announced the adoption of non-itemized billing effective September 1. . . . Amendment No. 10 to Regulation W was made effective September 1, 1943, by the Board of Governors of the Federal Reserve System.

(Turn to "1943 in Review," page 22.)

Here's Proof of the Value of the New...

BETTER LETTERS SERVICE

Conducted by J. GORDON DAKINS, Educational Director
National Retail Credit Association



"To say that your Better Letters Service is filling a much wanted need is putting it very mildly. When your bulletins arrive, copies are immediately made and given to the credit and collection correspondents who receive them enthusiastically. You are to be complimented on the interest you have aroused in improving business correspondence."—Louis Krensel, Collection Manager, Lit Brothers, Philadelphia, Pa.

* * *

"We are very much impressed with this service as it contains quite a lot of valuable material. As a matter of fact, it is the best service on credit letter writing that it has been our privilege to examine."—C. D. Hill, Manager, Department of Accounts, The M. M. Cohn Company, Little Rock, Arkansas.

* * *

"We are greatly impressed with the Better Letters Service and wish to extend a hearty word of congratulation. Each issue presents splendid ideas and thoughts that cannot fail to be helpful to anyone engaged in credit work."—F. H. Koch, Credit Manager, Schuneman's, St. Paul, Minn.

* * *

"Just a line to let you know that your Better Letters Service is good and that we intend to profit from it."—A. B. Hunter, Credit and Collection Manager, The Rudolph Wurlitzer Company, Chicago, Ill.

WHAT YOUR BETTER LETTERS SUBSCRIPTION WILL BRING YOU

1 Every month, you will receive copy for five new credit department letters that you can use as they are or change to fit your needs. Included are model collection letters (some of which tie in with Regulation W), letters to revive inactive accounts, credit sales promotion letters, adjustment letters, and others styled to handle specific credit problems.

2 Every month, too, you will receive a three-page Better Letters Bulletin filled with practical, usable suggestions that will help you to write better letters—and show you how to use letters to build goodwill, to bring back old customers, and get new ones.

3 Advisory service. The privilege to submit, once each month, one of your own letters for unbiased advice and constructive criticism.

All for \$15⁰⁰ a Year

Less than five cents a day

NOTE: The Better Letters Service commenced on July 15, 1943. Copies of previous issues are available—while they last—for \$1.25 each.

----- **FILL OUT THIS COUPON . . . MAIL IT TODAY** -----

J. GORDON DAKINS, Educational Director
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218 Shell Bldg., St. Louis 3, Mo.

Please enter my subscription for your Better Letters Service for one year, price \$15.00. Also send me previous issues at \$1.25 each for the months of _____

Check enclosed ☐ Mail bill ☐

Name _____

Position _____

Firm Name and Address _____

Journeyings of the General Manager

LEFT ST. LOUIS the afternoon of November 15 and arrived in Milwaukee about midnight. The morning of the 16th was devoted to a discussion of our 1944 convention with C. J. Berner of the Wisconsin Electric Power Company, President of the Associated Retail Credit Men of Milwaukee, and Fred S. Krieger, Manager, Credit Bureau, Milwaukee Association of Commerce and Secretary of the Associated Retail Credit Men of Milwaukee. That noon it was my pleasure to address the Milwaukee Association and to discuss informally plans for the 1944 convention, postwar credit plans, and activities of the Postwar Planning Committees.

Accompanied by Messrs. Berner and Krieger, Past President Erwin Kant of Ed. Schuster & Co. Inc. and Mr. R. J. Schroeder, Chairman of the Committee on Hotel Arrangements, all afternoon was spent at the Schroeder Hotel checking accommodations, public rooms for group meetings, etc.

National Convention Plans

The morning of the 17th passed quickly, calls having been made on several of the key members of the National, among them August C. Wehl of Gimbel Brothers, a former National Director and chairman of group conferences at several of our National conventions. It was also my pleasure to review current conditions, trends toward cycle and nondescriptive billing and other matters of mutual interest with Mr. Donald Mills, Treasurer of Gimbel Brothers. Personnel for chairmen and vice chairmen of group conferences was discussed with the General Chairman of the Group Conference Committee, Mr. Ray C. Cook of Schuster's.

Left Milwaukee that afternoon and Chicago that evening for Toronto and arrived the following morning. Spent practically the entire day with Mr. J. H. Suydam, Manager of the Toronto Credit Bureau and Secretary of the Associated Credit Bureaus of Canada, discussing National activities and plans for organizing the retail credit grantors. Many friends in Canada will be glad to learn that Mr. Suydam is to serve as N.R.C.A. membership chairman for the Dominion. That he will do a splendid job is a foregone conclusion.

Reached Ottawa Friday morning, the 19th. Most of that day was spent discussing National and Canadian credit problems with National Director G. Scott Murray, Secretary-Treasurer of Murphy-Gamble, Ltd. and Fred A. Matatall, Manager of the Ottawa Credit Exchange, Ltd., a regular attendant at N.R.C.A. National conventions and a booster for N.R.C.A. in Canada. Also had the pleasure of renewing my acquaintance with Mr. Walter Murray, President of Murphy-Gamble, Ltd.

Calls were made Friday, Saturday and Monday on store heads, including Mr. Lawrence Freiman, General Manager A. J. Freiman, Ltd., E. Martin, Assistant General Manager; Messrs. Sam and Gordon Caplan and Mrs. F. Chateauvert, Credit Manager, of C. Caplan, Ltd.; Mr. Lewis A. Burpee, General Manager, and Miss Irene Ashe, Secretary and Credit Manager of Chas. Ogilvy, Ltd.; Mr. W. F. C. Devlin, President and Managing Director of R. J. Devlin, Ltd.; Mr. C.

Awrey, General Manager of Bryson-Graham, Ltd., W. J. Tate, Credit Manager of that firm and President of the Credit Grantors Association and Mr. F. D. Burkholder, President of F. D. Burkholder, Ltd.

Was disappointed in not being able to see my friend Mr. M. A. Mahoney, President of the Independent Coal and Lumber Company and President of the Ottawa Credit Exchange, who was confined to his home with a severe cold. Delegates to the New York convention in 1941 will remember Mr. Mahoney as "Klondike Mike" and his version of "The Shooting of Dan McGrew."

Three Ottawa stores have been on nondescriptive billing for two years or more; Bryson-Graham, Ltd., A. J. Freiman, Ltd.; and C. Caplan, Ltd. and Murphy-Gamble, Ltd., will probably adopt it.

On Monday afternoon I had the pleasure of a call from Mr. A. O. Heather, Director, Consumer Credit Division, The Wartime Prices and Trade Board, whom I had missed at Toronto. For more than an hour we discussed credit control in Canada and the United States, the results of such control, and future possibilities.

It was my pleasure to address the Credit Granters Association at its dinner meeting at the Chateau Laurier that evening. Action of the Board of Directors of the Association that morning, increasing dues to provide for membership in the Canadian Association as well as Local and N.R.C.A. membership, was unanimously ratified.

Three credit executives from Montreal were present, Mr. G. Don Smith of Henry Morgan, Ltd., Mr. C. J. Sullivan, Secretary-Treasurer and Comptroller of Mappins', Ltd. and Director of the Canadian Association, and Mr. F. H. Handley, General Credit Manager, C. W. Lindsay, Ltd. It is expected that Montreal will organize a local association in the near future.

On the evening of the 20th it was my pleasure to be present at a dinner at the Chateau Laurier honoring Mr. and Mrs. Fred A. Matatall, who were celebrating their 25th wedding anniversary. In addition to a number of close personal friends, the son of Mr. and Mrs. Matatall (an officer in the Canadian Army) and his bride were present.

To Toronto and Then Home

Tuesday morning, November 21, was spent in Toronto. Calls were made on Messrs. T. L. Robinette of The Robert Simpson Co. Ltd. and Geo. Leyland of T. Eaton Co. Ltd. At noon I attended a luncheon of the directors of Toronto Credits Limited at the Royal York Hotel. Present were Messrs. Robinette, Vice President of Toronto Credits, Ltd., R. E. Baylis, Treasurer and a former National Director; J. E. Tesher, Adams Furniture Co., Ltd., Hugh Glass, Glass Brothers, D. L. Thorne, Burroughes Furniture Co., Ltd., J. H. Suydam, Manager, Toronto Credits, Ltd., G. H. Forster, P. Burns & Company, Ltd., Chairman of the Associated Credit Managers of Toronto, and Carl J. Maier, Credit Manager, Aluminum Goods, Ltd. The latter represented the President of Toronto Credits, Ltd., Mr. H. J. Craddock, President and General Manager of Alu-

minum Goods, Ltd., who was required to go to Ottawa on urgent business the night before.

Meeting the gentlemen at luncheon gave me an opportunity to discuss with them National activities in Canada, the services we have rendered our Canadian members in the past, what we expect to do in the future, and the advantages of close cooperation between the two National organizations.

En route home I spent the 22nd in Chicago. Calls were made on several of our key members, Messrs. Earle Harrison of Marshall Field & Company; A. B. Hunter of Rudolph Wurlitzer Company, Chairman of the Postwar Planning Committee for Chicago; John D. Kemper, Mandel Brothers; Theo. Lacy, General Manager, Chicago Credit Bureau; W. S. Martens, Carson, Pirie, Scott Company, and Fred A. Smith of Evans Furs. Also called on Mr. Frank R. Liddy, Secretary of the Toby Furniture Company, a former associate of mine at Mandel Brothers, and on our Western Advertising Representative, Mr. T. W. Farrell.

Left Chicago that afternoon and arrived in St. Louis at 10:00, in time to enjoy Thanksgiving at home.

* * *

I offer my apologies for failing to mention in *Journeys* in the November CREDIT WORLD calls on Thomas McCormick of Chas. F. Berg, Inc., Portland, Oregon, President of District 10, and R. T. Callahan, Powers Furniture Company, also of Portland, on my visit to that city on September 17. Mr. McCormick has been active in District 10 for many years and Mr. Callahan has served as chairman of our Furniture and Installment Group at District and National conferences.

I also overlooked mentioning my calls September 23, 24 and October 5 on my friend J. A. Gross, General Manager of the Retail Merchants Credit Association, Los Angeles. Mr. Gross, as always, was very cordial and cooperative. He provided a car for my calls on credit executives in the Wilshire Boulevard District and when it appeared doubtful that I would be able to obtain transportation to San Diego for a noon meeting on October 4, he offered to drive me to that city.

L. S. Crowder

"Postwar Era"

(Beginning on page 8)

normally instalment buyers, have accumulated savings in various forms of government securities. To citizens in this category I would suggest that wherever it is possible to do so they should, except for requisite down payments, keep their savings intact and make purchases out of income. The possession of investments and bank balances is strongly conducive to a feeling of security in case of emergency. Merchandisers themselves would be well advised to encourage this procedure, should it be obvious to them that wartime savings are being tendered in payment for merchandise. It is in the retailer's interest to do so, for an individual who retains his security holdings is a much better prospect for future transactions than one whose assets have been liquidated in order to pay for his immediate postwar purchases.

The conservation of Victory or War Loan Bonds and War Savings Certificates is of vital importance to the Governments of the United States and Canada. They are now and will continue to encourage the holdings of such securities by the purchasers of them. Considerable expenditures will be incurred in publicizing this view. I submit that the suggestion of buying out of current income on the instalment plan for postwar requirements in durable goods could be advocated to good advantage in their publicity efforts.

Recent Elections

Tulsa, Oklahoma

Miss Margaret Mayo, Credit Manager of Woolf Bros., Tulsa, was elected President of the Tulsa Retail Credit Association for the coming year. J. C. Rayson, Manager of the Retail Merchants Association, was elected Secretary. Other members of the Advisory Board elected were: Earl Beard, National Bank of Tulsa; Ben K. Bilbrey, Motor Exchange; C. H. Froehle, First Banc-credit Corp.; J. S. Goeppinger, Shannon Furn. Co.; Ollie M. Greer, I. Miller Co.; Zella Held, Midwest Printing Co.; J. F. Holt, Renberg's; Marion Leleu, Brown-Dunkin Co.; J. R. McKee, Palace Clothiers; Samuel Minsky, Oklahoma Tire & Supply Co.; Maxine Parker, McBirney Investment Co.; Jimmy Rhodes, Vandervers; Audrey Savage, Dorothy's; Jerry Shea, Wolferman's; H. R. Stuart, Sears, Roebuck Co.; and Claude Hale, Clarke's.

Lincoln, Nebraska

At the October monthly meeting of the Lincoln Retail Credit Association, the following officers and directors were elected: President, Henry Crane, First National Bank; Vice-President, Rex Smith, Ben Simon & Sons; and Secretary-Treasurer, J. P. Plith, Associated Service Co. Directors: Fred Aldrich, Continental National Bank; E. L. "Jack" Schuetz, Federated Fin. Co.; Irene McNally, Lincoln Oil Co.; and immediate Past President, W. W. Bauer, City Water & Light Department.

Louisville, Kentucky

Newly elected officers and directors of the Retail Credit Managers' Association, Louisville, for the coming year, are: President, V. V. Burns, Sears-Roebuck & Co.; Vice-President, W. H. Smythe, Stearns Coal Co.; and Secretary-Treasurer, Carson L. Bard, The Credit Rating Co. Directors: Mrs. Alice G. Barry, H. P. Selman & Co.; Mrs. Mabel K. Sproehnle, Husch Bros.; Tim Brown, Lemon & Son; J. C. Kemper, Lincoln Bank & Trust Co.; Joseph Russell, Levy Bros.; and J. Hardin Ward, Stewart Dry Goods Co.

Coupon Booklets Approved in Canada

Use of coupon booklets by retail merchants who extend credit has been approved by the Board, the director of consumer credit has announced. The Board prohibited use of these booklets in October, 1941.

All merchants who extend credit may use these booklets provided certain conditions are complied with in a written agreement between the seller and the buyer. The agreement must contain a receipt from the buyer for the booklet; it must require payment in full of the balance of the credit price within six months from the date of the purchase of the coupon booklet, and the agreement must comply in all other respects with provisions of Board Order 225 covering contracts of sale. The effective date of the directive was December 1.—*Retail Bulletin*, The Wartime Prices and Trade Board, December 13, 1943, Ottawa, Ontario.

Credit Schools Build Morale

Harry B. Dawson, Manager, Retail Merchants' Credit, Ltd., Victoria, British Columbia

TO PUT A REAL VALUE on the results of holding educational classes on retail credit one has to refer to the results. Locally, such classes have brought our merchants together, have improved the detailed handling of credits in various types of business so



that now we have a fairly standardized method which makes for safe credit granting. Both our merchants and professional men are now better informed in standard practices and employees are doing a job of which we are all proud.

In 1932, when our local Credit Granters' Association was formed, we had no definite standard of credit granting and each merchant was

working on his own. A group of our leading members followed the suggestion of the National Retail Credit Association and organized a study class. It was based on the book *Retail Credit Practice* by John T. Bartlett and Charles M. Reed. They studied each chapter thoroughly and then each member used one chapter as a basis for lectures which were given to other classes organized for employees of various firms. The original lecturers took turns at these classes of which five were held (the average class was twenty). The resulting improvement in standard methods and the information received for credit bureau files made the effort of particular value to all members.

Then these authors published an advanced textbook on retail credit entitled *Credit Department Salesmanship*, and immediately our senior group organized a class for the study of the book. The reaction of employers was instantaneous and the Association was urged to conduct additional study groups. As a result, two more classes of twenty each studied the textbook and eighteen took the final examination and made a passing grade. This was typical of every class.

When the textbook *Retail Credit Fundamentals* by Dr. Clyde Wm. Phelps was published by the National Association, there was an immediate request for these study classes. This, by the way, is the best textbook yet published for classes just beginning the study of retail credit. Three classes have successfully concluded the course and another one is planned. As in the first group, our leading members gave the lectures. This method, we found, was more successful than having one lecturer, as it brought in members of various types of business and the students were able to question them in a fifteen-minute question period after the lecture.

Apparently our members had not finished as there were many requests for a class to study the textbook *Streamlined Letters* by Waldo J. Marra. This study

class was again made up of our senior members and the subject proved to be an extremely interesting one. Like the other classes each senior member took a chapter, with the exception of those on language which was covered by the local senior English teacher at the Normal School. There were repercussions from this study because from that date on this same English teacher gave a lecture each year on retail credit to Normal School students.

Certainly there is a value to retail credit study groups—a very high value to any Local Association. The members and their staff get a sound knowledge of standard practices, a better understanding of the value of a credit bureau, and are able to meet the public in a much more pleasant and satisfactory manner. *All of this builds morale, and above all, it builds business.*

"1943 In Review"

(Beginning on page 18)

October. Thomas Johnson, dean of credit men in the northwest, retired as Credit Manager of the Powers Dry Goods Co., Minneapolis, on August 31. He was connected with that Company and its predecessors for a period of 61 years. He is a charter member of the Minneapolis Association, organized in 1904, and at a meeting on August 31 was made an honorary member of the Association. . . . President White was honored at a testimonial dinner given by the Retail Credit Association of Pittsburgh at the William Penn Hotel, Pittsburgh, on October 14. The National Association was represented by Past President Erwin Kant, Vice-President E. E. Paddon, National Director R. C. Warren, and General Manager Crowder. In the absence of Frank T. Caldwell, Secretary-Manager, A. B. Buckeridge, Vice-President of the Associated Credit Bureaus of America, represented that organization. . . . Death took Miss Virginia W. Bland, who for many years reported the National Conventions of the N. R. C. A.

★ ★ ★

November. "Where Do We Go From Here?" is the title of an interesting and constructive address by L. H. Thorlaksson, Controller, Hudson's Bay Co., Vancouver, published in the November CREDIT WORLD. It was delivered before the fall meeting of the Vancouver Retail Credit Grantors Association. . . . "Journeys of the General Manager," covering a 7000-mile trip through the Western states, appears in the November CREDIT WORLD.

★ ★ ★

December. The December CREDIT WORLD carried one of the outstanding articles of the year—"The Development of a Business Executive"—by Sam W. Reburn, retired, for many years one of America's leaders in the retail field.

Do you aspire to be a Credit Manager?

Of course, you're looking forward to "THE DAY". But, are you sure that you have the necessary background? Are you well grounded in retail credit fundamentals? Can you take a complete credit application? Do you know how to adjust accounts . . . how to collect them and still keep customers? What about your letters? Do you know how to make them human so that they will get the best results? You're not sure? Then, here's a plan that will provide the training and confidence you need!

N. R. C. A. EXTENSION COURSES

RETAIL CREDIT FUNDAMENTALS

Based on the textbook of the same name by Dr. Clyde Wm. Phelps, University of Chattanooga, Chattanooga, Tenn. Divided into three main sections. Shows how to open the account, then how to control it, and, finally, how to collect it. 336 pages, printed in large easy-to-read type, and substantially bound.

STREAMLINED LETTERS

Based on the textbook of the same name by Capt. Waldo J. Marra, formerly Correspondence Director, Bank of America, San Francisco, Calif. 450 pages, waterproof binding. Tells how to plan letters and get positive results . . . how to secure eye appeal through correct letter form . . . how to write credit, collection, and adjustment letters . . . how to improve vocabulary.

HERE'S HOW THE PLAN OPERATES:

Upon enrollment, you receive a copy of the textbook on which the course is based. Your assignment is one chapter a week. A series of questions covering each chapter are then sent weekly from the National Office. You are expected to submit your answers to

St. Louis for grading. Your work is individually corrected and constructively criticized. There is no final examination—but you are given a final grade on the basis of marks made weekly throughout the course. If you grade 70 or better, a Certificate of Proficiency—signed and sealed—is awarded you. Your employer is notified of your successful completion of the course.

Hundreds of students have already benefitted through enrollment. This is what they say about the course—

RETAIL CREDIT FUNDAMENTALS:

"I have nothing but praise for this excellent course. It covers all the fundamentals which every credit granter should know"—Seymour Abramson, Credit Manager, Heyman Bros., Newark, N. J.

"It stimulated my thinking, and anything that stimulates thinking is very much worthwhile."—Jerome Blattner, Credit Manager, Blattner's, Lima, Ohio.

STREAMLINED LETTERS:

"One of the best returns on the market today for the money invested."—Clarence E. Wolfinger, Credit Manager, Lit Brothers, Philadelphia, Pa.

"Your course has cut my dictating time in half. In addition to the time saved, it has greatly improved my letters."—L. T. King, Credit Manager, Cosden Petroleum Corporation, Big Spring, Texas.

The price of each course is only \$5. This covers everything—the cost of the textbook, the weekly quiz and ratings, three issues of the CREDIT WORLD, and the Certificate upon successful completion. At this low price, everyone can afford to enroll. The textbooks alone retail at \$4 a copy.

Think it over. Is your future progress worth an investment

of \$5 plus a few hours of your spare time each week? Remember, two courses are available—individualized to fit your own personal requirements. Select the one you need most and enroll now. Fill out the coupon below. Mail it today. There is no better time or better way to open the door to the opportunities of the future.

THIS COUPON MAKES IT SO EASY FOR YOU

J. Gordon Dakins, Educational Director
National Retail Credit Association
Shell Building, St. Louis 3, Mo.

I enclose check _____ money order _____ for \$5. Please register me as a student in the N. R. C. A. Extension Course in RETAIL CREDIT FUNDAMENTALS _____ or STREAMLINED LETTERS _____

Name _____ Occupation _____
Address _____ Employed by _____
City _____ State _____

Meetings
ELECTIONS

NEWS ITEMS

Personal and
OTHERWISE

Coming District Meetings

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Manitoba, Canada, and Superior, Wis.) will meet at the Hotel Fontenelle, Omaha, Neb., February 20, 21 and 22.

District Seven (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting February 15 and 16 at the Hotel Muehlebach, Kansas City, Missouri.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting April 15, 16, 17 and 18 at Portland, Oregon. This is the Pacific Northwest District Conference and is being held one month earlier than usual because of the National Convention which will be held in May instead of June, 1944.

Credit granters from 13 states and the District of Columbia will take part in a joint wartime conference on February 14 and 15 at the Hotel New Yorker, New York City. The theme of the conference is "Postwar Credit Planning," and the states represented are: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Virginia, West Virginia, Maryland, Delaware and District of Columbia.

St. Louis, Missouri

The newly elected officers and directors of the Associated Retail Credit Men of St. Louis are: President, Claude McCarthy, S. G. Adams Co.; Vice-President, Tuscan Boaz, Boyd's; Treasurer, Ed. Fey, City Ice and Fuel; and Secretary, A. J. Kruse, The Credit Bureau. Directors: Ray Bulte, Stix, Baer & Fuller; Roy Manker, Garland's; M. M. Carouthers, Southwest Bank; Charles Reno, Scruggs, Vandervoort & Barney; H. R. Zollinger, Zollinger's; Robert Kerr, First National Bank; Wm. Preusser, Famous-Barr Co.; A. C. Nelson, Socony-Vacuum Oil Co.; Saul S. Zeve, Union-May Stern Co.; I. Davis, Lane Bryant's; W. Menzenwerth, St. Louis Dairy Co.; M. H. Becker, Hess & Culbertson; George Luebli, Biederman Furniture Co.; Jos. Holtzman, J. L. Freund Jewelry Co.; E. E. Paddon, Lammert Furniture Co.; Walter Cassmeyer, Merchants Ice & Fuel; and Miss Mabel Gutzman, Socony-Vacuum Oil Co.

Position Wanted

CREDIT MANAGER: Seeks position with responsibility. Age 44. Married. Degrees in Law and Business Administration. References and background gladly furnished. Address Box 141, CREDIT WORLD.

St. Louis C. W. B. C. Election

At the October meeting of the Credit Women's Breakfast Club of St. Louis, the following officers and directors were elected to serve for the year 1944: President, Mabel Gutzman, Socony-Vacuum Oil Co.; Vice-President, Esther Morrow, John T. Ross & Associates; Secretary, Mrs. Eileen Hannefin, National Retail Credit Association; and Treasurer, Mrs. Audrey Hoffmeister, Industrial Bank. Directors: Dorothy Kuhs, Lane Bryant's; Alice Callahan, Corrigan Co.; Dorothy Thompson, Western Auto Co.; Vivian Talbot, Lammert Furn. Co.; Ethel Gordon, Erker's Optical Co.; and Mary Jennings, Boyd-Richardson Co. The retiring president is Mary Louise Mazzoni, Kline's, Inc. Editor of the bulletin is Ruth Rich, Famous-Barr Co.

J. M. Holloway, Sr.

J. M. Holloway, Sr., a pioneer and active figure in retail credit circles, died at his home in Montgomery, Alabama, on November 4. Until lately he had been Manager of the Credit Reporting Company of Montgomery and was for many years Secretary of the Associated Retail Credit Men of Montgomery which he organized with General Manager-Treasurer Crowder in 1918. He was a regular attendant at National Conventions until recent years. A Rotarian, he is survived by his widow and two sons, J. M. Holloway, Jr., who took over the management of the Credit Reporting Company upon his father's retirement, and L. G. Holloway, Manager of the Credit Bureau at Macon, Georgia.

R. C. Warren's Mother Passes

Deepest sympathy is extended to R. C. Warren, Credit Manager of Arkansas Power & Light Company, Pine Bluff, Arkansas, and National Director of the Seventh District, in the recent death of his mother in her 83rd year. Burial was at her home in Terre Haute, Indiana, where she died.

WARTIME CONFERENCE

and Credit Sales Forum

May 16-18, 1944, Hotel Schroeder
Milwaukee, Wisconsin

National Retail Credit Association
Associated Credit Bureaus of America, Inc.

Credit Women's Breakfast Clubs
of North America



Walter Jensen

E. L. Silver

J. H. Suydam

F. E. Womersley

L. S. Crowder

Vancouver Association Holds Overflow Meeting

THE PREWAR TREND toward irresponsible and, in many instances, completely senseless competition in the consumer credit field, resulted in thinking credit men and women, despite their natural and instinctive dislike for any form of regimentation or bureaucratic control, eagerly welcoming Government regulations restricting consumer credit.

These regulations have now been in effect long enough to prove conclusively that any attempt to return after the war to the "BAD OLD DAYS" of unrestricted wide-open "give everything away but your shirt" competition in merchandising, is not only unnecessary but is bound to result in economic suicide. The evils in the past, such as small or no down payments, 36-month terms, overbuying, etc., were not asked for by the customer but were forced upon him by retailers, strong in volume consciousness and short on simple, ordinary business sense.

The Vancouver Retail Credit Grantors' Association believe that a policy should now be established to prevent a return to past practices and at the same time enable business to properly prepare to meet the advantages and pitfalls certain to occur as a result of the tremendous postwar demand for consumer goods of all kinds. For this purpose a meeting was held at the Hotel Vancouver, Vancouver, B. C., on September 13, 1943. After receiving reports of the progress made, the 250 members present unanimously voted that the committee in charge be authorized to prepare a provisional constitution and bylaws for the formation of a Dominion-wide organization and that these be submitted to all Retail Credit Associations throughout Canada for adoption and support.

The necessity for such an organization was emphasized by L. H. Thorlaksson, Comptroller of the Hudson's Bay Company, who addressed the meeting (complete address published in the November, 1943, CREDIT WORLD). His analysis of existing finance, production and employment problems was followed by a forecast of

postwar readjustment conditions and the prediction that consumer credit will be called upon more than ever before to satisfy the intense hunger that will exist when commodities again become available. Special guests at the meeting were: L. S. Crowder, General Manager-Treasurer of the N.R.C.A.; Walter Jensen, Field Secretary of the Associated Credit Bureaus of the Pacific Northwest; and W. D. McCune, Missoula, Montana, President of the Associated Credit Bureaus of the Pacific Northwest.

Mr. Crowder expressed the sincere wish that the proposed association would meet with success and offered all possible assistance. Knowing, from experience, the great value of affiliation with the N.R.C.A., the meeting indicated its appreciation for both this present offer and past cooperation and assistance.

S. S. McKeen, President, Vancouver Board of Trade, voiced approval of the formation of a National Credit Organization and spoke of the value of forward thinking and planning.

Delegates to the Associated Credit Bureaus of Canada Conference who were present and promised their support included: J. H. Suydam, Toronto; T. Beausoleil, Montreal; J. E. Shapland, Hamilton; E. L. Silver, Windsor; F. Matatall, Ottawa; I. Bowman, Kitchener; F. E. Womersley, Winnipeg; H. Schultz, Calgary; D. Murray, Chilliwack; G. W. Harris, Mission; H. Dawson, Victoria; C. H. Williams, Edmonton; and F. Hart, Fort Frances.

In the picture above are, left to right: Walter Jensen, Secretary, Associated Credit Bureaus of the Pacific Northwest, Portland, Oregon; E. L. Silver, Windsor Credit Bureau, Windsor, Ontario; J. H. Suydam, Secretary, Associated Credit Bureaus of Canada, Toronto, Ontario; F. E. Womersley, Credit Clearing Bureau, Winnipeg, Manitoba; and L. S. Crowder, National Retail Credit Association, St. Louis.

Credit Control Centralized

Mrs. Francoise Chateauvert, Credit Manager, Caplan's, Ottawa, Ont., Canada

CREDIT IS AVAILABLE to the customers of C. Caplan Limited of Ottawa, on both a charge and instalment basis. When a person applies for credit, an interviewer informs the customer of the different types of accounts that are available, and the credit terms permitted by Order No. 225 of the Canadian War-time Prices and Trade Board. Then she fills out a standard credit application blank (Figure 2). The same application is used whether the customer applies for a charge or an instalment account, but in the case of charge accounts, the applicant is also asked to sign his name on a credit history card (not shown) on which all the information obtained by the interviewer is later typed. Moreover, the information received from the credit bureau is also typed on the reverse side of the Credit History Card. This card is then placed in the pocket of one of the panels of the Remington Rand Kolect-A-Matic trays.

In front of this pocket another card is placed (Figure 4) on which are noted the current purchases made by the customer as they are authorized. (Every sale is authorized by telephone.) This card is also used to post end-of-month balances together with payments made during the month. Collections are likewise followed-up from this card.

Sales checks are fine-sorted in the Credit Office and immediately posted by machine on Speediset statement forms. After the posting is completed the statement (Figure 5) is placed in the pocket of the vertical visible panel.

Charge accounts are closed on the 25th of each month. When all the month's transactions have been entered the statements are taken from the pockets. These are then handed to the Addressograph Department and new statements are headed up, but only for those accounts which have a balance. After the new statements have been headed up, the balance as indicated on the statement taken from the pocket is then typewritten on the new statement. Each typist does one control at a time (which consists of one letter of the alphabet) and then returns the two packages of statements to the control clerk. An adding machine total is taken of each package of statements; the tapes are then compared and if they agree the amount is listed on the audit or control sheet.

Those statements on which the new balance has been typewritten are then returned to the Kardex pockets ready for the next month's business. The statements for the current month, however, are separated. The original is mailed to the customer and the carbon copy becomes part of the ledger. These ledger statements are photographed on a Micro-film machine and the month-end balances are then transferred to the front card in the Kardex pocket. This posting is sometimes delayed but due to the fact that the new statement has already been filed in the pocket authorization is not affected. The end-of-the-month work is completed in twenty-four hours.

An orange Graphamatic signal is used to indicate the month of the oldest unpaid balance on the Kardex visible panel. Should the account become past due, a

red signal is used and the account is frozen. As many of the charge account customers also have contract accounts, Government regulations make it necessary to keep a record of any contract account arrears on the charge account panel. Therefore, if a contract account becomes overdue, an orange signal is placed at the left-hand side of the panel and no further credit is granted on the charge account until the contract account has been brought up to date.

The 11,500 charge accounts carried by C. Caplan Limited are housed in 22 Kolect-A-Matic trays and filed in alphabetical order. Sixty-five hundred of them are active accounts.

Contract Accounts

The 10,000 contract accounts are kept in twelve small trays separated by pressboard guides with position markers 20-40-60-80-100. All contract accounts are numbered and the numbers are taken from a Linedex on a rotary stand. (See photograph.) Postings are made to these accounts on a cash register posting machine.

The collection follow-up is maintained from history cards (Figure 3) filed in Kardex cabinets. The credit bureau report is typed on the back of these history cards. They are filed in the Kardex cabinets in the same order as the ledger cards.

An orange Graphamatic signal is used to indicate the month in which the account will require attention and a small signal is used to indicate the day of the month on which the account should be checked. These small signals are different colors, green indicating that the payment is up to date, orange that payment is one month past due, blue that payment is two months past due, pink that payment is three months overdue, purple that payment is four or five months past due, and red that payment is six months past due. Black and white indicates that the account is over \$100.00.

The collection routine is as follows: The collection clerk looks at the panels each day and selects the accounts that require attention, by checking the different signals. She then looks at the ledger cards (Figure 1) which correspond to the collection cards being checked and if payment has been made the signal is moved to the next due date on the collection card. However, if payment is in arrears, the signal is changed in color and its position is moved to the date that the account is to be checked again—usually ten days later. At this time a notice or letter is mailed and a memorandum of the action taken is made on the history card. The type of letter used depends on the time the account is in arrears. Should six months elapse without satisfactory results, the account is handed to the credit bureau for collection.

This installation was made possible through the assistance of the Remington Rand Systems Research Department. The system was taken partly from their Management Controller No. 547A-598 and 622, and has proved entirely satisfactory. We can highly recommend the use of this system.

Opening, Controlling, and Collecting Accounts

Lillian McIntyre*

THE HUDSON'S BAY COMPANY'S retail store in Winnipeg is one of the largest in this average size city. The volume of its credit sales on a per capita basis would compare favorably with that of other retail firms, and the fundamentals underlying the conduct of its credit business are substantially the same as elsewhere. Possibly the most direct method of describing the credit procedure at the "Bay" is to follow the plan of Dr. Phelps in his *Retail Credit Fundamentals* and to discuss the problems of Securing New Accounts, Controlling Accounts and Collecting Accounts. Most of the activities of the department are included in one or the other of these functions.

Although solicitation of new accounts will probably be given marked attention when peace comes, we are at present concentrating on the successful handling of new business which comes to us uninvited and on a close follow-up of inactive accounts. With unemployment at a minimum and salaries at a high level it is evident that, in spite of widespread investment in the war effort, our established clientele is spending freely and, in addition, a vast group of new credit customers has arisen. The credit plans offered include Deferred Payment Accounts (instalment purchases of hard merchandise), Budget Accounts (instalment purchases of soft merchandise), Coal and regular 30-day Charge Accounts, as well as variations of each type, e.g., deposit accounts, staff accounts, Army officers' clothing accounts to be paid from Government allowances.

Personnel of Credit Office

Our present office staff consists of credit manager, assistant credit manager, eight authorizers or interviewers, a receptionist, an adjustment clerk, a report clerk, several girls who work on the phone board, filing and refers, six bookkeepers and six cashiers. In addition to interviewing customers regarding new and existing accounts, each credit counsellor is responsible for at least one other major activity in the office routine—budget collections, deferred payment collections, monthly charge account collections, coal collections, bad debts, bad checks, deposit account interest, invoicing, mail order contracts.

During these times when practically every applicant for credit has a steady income, credit manage-

ment is not faced with problems common during years of depression, but considerable caution must be exercised nevertheless. Populations are shifting and it is all too easy to lose track of customers; some are earning steadily for the first time and are inclined to overspend; occasional lay-offs occur in large industries and employees cannot arrange for payment of accounts; men and women join the armed services and the resultant financial readjustment has a noticeable effect on charge accounts. With all these possibilities in mind, it is advisable to obtain complete information at the first interview, always being careful to include personal references which may later be useful in tracing if that becomes necessary.

Re-establishing Credit

When a customer requests a second account, his present address and employment are checked with him and the application is handled accordingly. Instalment accounts are more acceptable to us than monthly charge accounts in the cases of persons employed in war industries since their years of earning are temporary from a credit point of view. Occasionally a customer who operated unsatisfactory accounts a few years ago again applies for credit and, provided his present circumstances warrant the risk and his past delinquency was the result of inability rather than unwillingness to pay, there is no reason why he should be refused the opportunity to reestablish his credit standing.

In common with many retail firms, our store uses the charge-phone system for authorizing charges on monthly accounts. Each Kardex file in our phone-room includes a customer's name and address, late address with date of change, credit limit, names of other persons authorized to use the account, and any special instructions such as code number, "no taken parcels," "not to exceed limit," etc. Celluloid signals are inserted in many of the name cards, red if the account is suspended due to Government regulations, green if it has been transferred to bad debts or is suspended by us for some other reason (the cause is indicated on the board or may be determined by

Hudson's Bay Co.'s forms

The illustrations on the opposite page are some of the many forms used in the Credit Department of the Hudson's Bay Co. An explanation by Miss McIntyre as to the use of these forms is given below each illustration.

*Miss McIntyre is a member of the Credit Department of Hudson's Bay Company, Winnipeg, Manitoba, Canada. She has the distinction of attaining the highest rating yet awarded in the N. R. C. A. Extension Course in *Retail Credit Fundamentals*—99.9 per cent. She wrote this article as part of her assignment on the final test.

consulting the collection card), purple if it is a staff account, yellow if it is to be "referred" for any special reason. The signals are easily removable if desired as, for example, in the case of an account temporarily suspended due to Government regulations but later paid in full and thus reestablished.

The work of the girls connected with the charge-phone board is considered to be of primary importance in the successful operation of our credit department. In addition to responding promptly, quickly and accurately to the light signals, these clerks are responsible for efficient handling of "refers." All charge purchases in excess of two dollars require credit office approval and it can be readily understood that, although information regarding the current status of each account is usually sufficient to permit the charge-phone operator to make an immediate decision, special circumstances require higher authority and must be "referred." For instance, salesclerks and department managers throughout the store are depended upon to have customers identified satisfactorily but, if there is any doubt, the matter must be referred to the credit manager or one of his assistants. If an account is referred for that, or for any other of the many reasons which may arise, a refer slip is made out and complete details as to the present status of the account are filled in before the charge is referred to a clerk authorized to make a decision regarding acceptance of the sale. At the present time, the majority of our "refers" are in connection with accounts suspended under Government regulations, and will be discussed at the conclusion of this essay in a special section dealing with adherence to wartime laws.

The Adjustment Policy

A major feature in successful control of accounts—the adjustment policy—must not be overlooked. Our clerks who handle this part of the work have been carefully selected and are trained to "follow through" on every complaint in order that a second report need not be made. Every clerk who discusses an error with a customer is instructed to give all details to the adjustment clerk (special forms are provided for the purpose) and to make it clear that a phone call will follow if further advice is needed or that the customer may take it for granted that the adjustment has been made if she does not hear from us. This eliminates many unnecessary enquiries from customers who sometimes become impatient if not phoned at once and who do not realize that many such complaints are received, each one requiring time for attention. Our aim is to make adjustments promptly and to give our customers the benefit of any doubt for we realize that every complaint presents another opportunity to "sell the store."

The first step in collecting the balance due on a monthly charge account is, of course, to issue an accurate statement as soon as possible after the end of the month in which purchases were made. Some firms favour early closing of accounts, but our present policy is to include all charges up to and including the last day of the month, and statements are mailed not later than the second day thereafter.

Saleschecks are sorted, checked and totalled in the Audit Office before being given to our bookkeepers for posting. National Cash Register machines are used by these billing clerks, each operator being responsible for a definite section of the accounts. Cash payments are posted daily, charges and credits in day order as quickly as possible after the bills come through from the audit office.

Collections are handled by our credit interviewers, each one being responsible for a certain type of account. (Rather than have one clerk handle *all* the Budgets and another *all* the D.P.'s, incidentally, we have divided the work between two girls, one taking A-L, the other, M-Z. This arrangement has eliminated considerable overlapping since the same customer may frequently carry both types of account and one collection effort will suffice.) Advance notices of payments due on instalment accounts are not issued but the follow-up on delinquents is close. Our policy is to cover all overdue 30-day accounts at least twice monthly although every overdue account is not canvassed on every occasion.

Collection Procedure

Our collection procedure is on a progressive scale, becoming more and more insistent as time goes on. Government regulations require that credit be suspended for any customer who has not paid in full by the twenty-fifth day of the month following purchase and the law is rigidly obeyed. In cases where a delinquent account is cleared in reasonable time, no objection is made to re-opening—but, if payment has been seriously overdue, it is necessary to discuss the matter with the customer and sometimes to obtain a new credit report before a decision can be reached. If the customer has been operating a monthly charge account, a budget account is frequently suggested as a first step toward re-establishment. Occasionally a prolonged suspension of credit would be of mutual benefit and, under those circumstances, further purchasing on a charge basis is declined.

After an account has been subjected to the progressively insistent collection routine—consisting of notices, letters, phone calls, collector's visits, etc., there is sometimes no alternative but to write it off as a bad debt. Monthly charge accounts and coal accounts are so treated when the oldest balance is twelve months overdue; instalment accounts are transferred to bad debts when six months have elapsed without any payment being made. In these instances the collection effort is continued by ourselves if at all possible but, if the procedure fails to bring the desired results, the account is then placed in the hands of a collection agency before being referred to an attorney. If court proceedings are considered advisable, our solicitor handles the suit. It might be noted, however, that our firm is always willing to cooperate with debtors in the matter of arranging terms both before and after accounts are transferred to bad debts, but insists upon receiving payments as per agreement.

Wartime laws and regulations play such an important part in credit office work today that the subject is surely deserving of special consideration in this outline. The Hudson's Bay Company has, since the beginning of the war, stressed the policy of obeying

the spirit of the law rather than just the letter. Thus, no leeway is permitted in extension of terms or credit privileges to accommodate a customer when it is felt that so doing would involve any evasion of the regulations.

So far as instalment accounts are concerned, the effect of the regulations is felt mainly in credit terms and interest rates which are no longer set by the individual firms but by the Government. That arrangement has a definite advantage insofar as competition between retailers is concerned, and the demand for a large down payment certainly reduces the risk involved. The only other way in which the current regulations have affected our instalment sales is that it is now legally imperative that every account must be watched. Care must be taken to make cross references on collection and ledger cards in order that the monthly charge account may be suspended if the budget is overdue and so on. The system is quite simple and can be kept strictly up to date by posting cash payments daily.

Routine for Monthly Accounts

Monthly charge accounts present a more definite problem and the routine required for obeying the law is more involved. Since accounts must be paid in full by the twenty-fifth day of the month following purchase, the practice of putting red signals on our phone-board files on the twenty-sixth of each month is followed. (Care is taken, of course, to check the ledgers in the light of incoming mail, adjustments pending, etc.) Subsequently, every account on C.O.D. red signal must be referred if the purchase exceeds \$5.00, and incoming cash must be reviewed up to the minute. If the account is not paid and the merchandise is to be sent, one of our collection staff phones the customer to explain the regulations and receive instructions. Frequently this results in our holding the order overnight pending receipt of a cheque in full for the amount overdue. If the account is not paid and the customer wishes to take the parcel, the refer clerk writes on the refer slip the clerk number and local phone number of the department in which the purchase is being made. The credit manager or a senior member of the credit staff then phones the department and speaks to the customer there. (Originally we had our charge-phone operators request salesclerks to send or bring these customers to the credit office but, as both customer good will and loss of time were involved, a plan was sought which would be more satisfactory both to our customers and to ourselves. One of our customers, somewhat embarrassed and not a little annoyed at being summoned to the office for the purpose of discussing his overdue account, suggested our present policy, and his idea has been most effective.) The law permits us to authorize purchases up to \$5.00 on delinquent accounts and also to leave in good standing accounts with \$5.00 or less carried forward from the previous month. In such cases a special letter is usually sent, explaining the regulations and pointing out the unpaid balance. This practice frequently forestalls refusal of subsequent purchases for higher amounts.

"The Battle"

(Beginning on page 6)

down the cost of living. To safeguard wage earners against increases in the cost of living, there was established, at the same time, a compulsory cost of living bonus. The purpose of the bonus was to offset a part of any increase in the cost of living.

Basic Living Standards—Basic Wage Rates

In the battle against inflation, the price ceiling is the front line. That line the government is resolved to hold. To abandon wage control would, as I have already shown, make it impossible to hold that line. In the policy of wage stabilization there will therefore be no fundamental change. Two important changes, however, will be made in the method of controlling wages.

The War Labour Boards, in dealing with applications for wage adjustments, will no longer be bound to apply a standard of comparing wages in one plant or industry with wages in other plants or industries. Instead, the standard in adjusting wages will be the removal of gross inequalities and injustices.

The other change has to do with the cost of living bonus. The payment of cost of living bonuses at varying scales has given Canada a complicated structure of wages and bonuses. These complications have proven a constant source of misunderstanding and friction. The policy of the government is that all practicable measures shall be taken to keep the cost of living at present levels. If that is achieved, there will be no occasion for additional cost of living bonuses. No further bonuses are to be paid. The existing cost of living bonuses are to be added to and to become part of basic wage rates.

The government believes that by holding the cost of living at the present level, that will afford a more adequate safeguard of the basic living standard of Labour than was provided by the cost of living bonus. If the cost of living rises more than 3%, and remains at that level for two consecutive months, the government will review the whole programme of price control and wage control and take appropriate action.

Postwar Objectives

On another occasion, I hope to outline plans of the government to achieve, once the war is won, what I have previously defined as a *national minimum of social security and human welfare*; not for Labour only, but for all the people. That national minimum should embrace useful employment for all who are willing to work; standards of nutrition and housing, adequate to ensure the health of the whole population; social insurance against privation resulting from unemployment, from accident, from the death of the breadwinner, from ill health, and from old age. Those are our postwar objectives.

The battle against inflation must be won to assure victory in war; that battle we must also win to provide a solid foundation on which, after the war, to build a greater and a better Canada.



Best Wishes To Our Canadian Friends

THE RECENT DECISION of Canadian credit executives to organize the Retail Credit Grantors of Canada into a National Association is a timely and constructive move. Provincial and National legislation affecting the interests of Canadian credit grantors will be more effectively handled, and educational publicity—through Local Associations, in newspapers, over the radio, and in other ways—will have a stronger appeal than formerly.

It is expected that all Canadian members of the National Retail Credit Association will join the newly formed Association. We hope that all members of the Canadian Association will also become members of the N.R.C.A. It has been predicted that Canadian membership in both Associations will soon be several times greater than present Canadian membership in the N.R.C.A.

The closest cooperation will exist between the two Associations. As a result, it is anticipated that there will be an improvement in the excellent credit job of which Canadian credit grantors have reason to be proud. Expressed sentiment indicates that members in Canada will continue to be active in the N.R.C.A. Districts and will attend District and National Conferences.

A section of The CREDIT WORLD, edited by a resident of Canada, will be devoted to articles by Canadian members and to Canadian Association activities. Canadian credit educational classes, as in the past, will be supplied with N.R.C.A. textbooks on credits and better letter writing.

To the founders of the Canadian Association, we extend our best wishes. To our Canadian members—friends of many years—and to those who join in the future, we promise a service backed by more than 32 years' experience in helping retail credit grantors of North America.

L. S. CROWDER
General Manager-Treasurer.

